

The documents compiled below reflect the status of negotiations on the Paris Agreement work programme (PAWP) at the Bangkok session based on the information available at the date/time indicated above. This compilation is prepared by the secretariat at the request of the presiding officers of the APA, the SBSTA and the SBI, and it is without prejudice to any decisions by Parties that may be taken by Parties on the format or content of the final outcome of the work on the PAWP in December 2018.

Full documentation on the PAWP negotiations is available on the relevant APA, SBSTA and SBI pages at the UNFCCC website. Technical errors in this compilation, should any such errors occur during the compilation process, do not modify the basis on which Parties are working, and the relevant individual documents, available on the UNFCCC website, remain the accurate and original source of information.

## Table of Contents

	<i>Page</i>
I. Matters relating to Article 4 of the Paris Agreement and paragraphs 22–35 of decision 1/CP.21	
A. APA: Further guidance in relation to the mitigation section of decision 1/CP.21 .....	3
B. SBI: Development of modalities and procedures for the operation and use of a public registry referred to in Article 4, paragraph 12, of the Paris Agreement .....	38
C. SBI: Common time frames for nationally determined contributions referred to in Article 4, paragraph 10, of the Paris Agreement .....	40
D. SBI/SBSTA: Modalities, work programme and functions under the Paris Agreement of the forum on the impact of the implementation of response measures .....	43
II. Matters relating to Article 6 of the Paris Agreement and paragraphs 36–40 of decision 1/CP.21	
A. SBSTA: Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement .....	52
B. SBSTA: Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement .....	83
C. SBSTA: Work programme under the framework for non-market approaches referred to in Article 6, paragraph 8, of the Paris Agreement .....	115
III. Matters relating to Article 7 of the Paris Agreement and paragraphs 41, 42 and 45 of decision 1/CP.21	
A. APA: 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- .....	129
B. SBI: Development of modalities and procedures for the operation and use of a public registry referred to in Article 7, paragraph 12, of the Paris Agreement .....	143
C. SBSTA/SBI: Matters referred to in paragraphs 41, 42 and 45 of decision 1/CP.21. ....	147

	<i>Page</i>
IV. Matters relating to Article 9 of the Paris Agreement and paragraphs 52–64 of decision 1/CP.21	
A. SBI: Identification of the information to be provided by Parties in accordance with Article 9, paragraph 5, of the Paris Agreement .....	153
B. SBSTA Modalities for the accounting of financial resources provided and mobilized through public interventions in accordance with Article 9, paragraph 7, of the Paris Agreement .....	169
C. APA: Preparing for the convening of the first session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement / matters relating to the Adaptation Fund .....	175
V. Matters relating to Article 10 of the Paris Agreement and paragraphs 66–70 of decision 1/CP.21	
A. SBI: Development and transfer of technologies: scope and modalities for the periodic assessment of the Technology Mechanism in relation to supporting the implementation of the Paris Agreement .....	183
B. SBSTA: Technology framework under Article 10, paragraph 4, of the Paris Agreement..	188
VI. Matters relating to Article 13 of the Paris Agreement and paragraphs 84–98 of decision 1/CP.21	
A. APA: Modalities, procedures and guidelines for the transparency framework for action and support referred to in Article 13 of the Paris Agreement .....	199
VIII. Matters relating to Article 14 of the Paris Agreement and paragraphs 99–101 of decision 1/CP.21	
A. APA: Matters relating to the global stocktake referred to in Article 14 of the Paris Agreement .....	274
IX. Matters relating to Article 15 of the Paris Agreement and paragraphs 102 and 103 of decision 1/CP.2	
A. APA: 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 .....	287
IX. Possible additional matters relating to the implementation of the Paris Agreement	
A. Further matters related to implementation of the Paris Agreement: Preparing for the convening of the first session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement / possible additional matters .....	304



## **Revised additional tool under item 3 of the agenda**

**Further guidance in relation to the mitigation section of decision 1/CP.21 on: (a) features of nationally determined contributions, as specified in paragraph 26; (b) information to facilitate clarity, transparency and understanding of nationally determined contributions, as specified in paragraph 28; and (c) accounting for Parties' nationally determined contributions, as specified in paragraph 31**

### **Informal document by the Co-Chairs**

#### **A. Mandate**

1. The Ad Hoc Working Group on the Paris Agreement (APA), in order to facilitate deliberations at APA 1.6, requested its Co-Chairs, with the assistance of, to the extent possible, the persons who facilitated work on the relevant matters at APA 1.5, to prepare, by 1 August 2018, tools that are additional to and based on the informal notes contained in the annex to the APA 1.5 conclusions,<sup>1</sup> including proposals for streamlining the outcome of the APA at APA 1.6 and examples of how Parties could further progress towards the development of an agreed basis for negotiations, taking account of the level of maturity and delicate balance achieved to date for individual items. The streamlining should not imply the insertion or deletion of substantive concepts or textual narratives.<sup>2</sup>

2. The APA noted that the tools referred to in paragraph 1 above would be prepared by the Co-Chairs under their own responsibility, and emphasized that at this stage in the negotiations it would be important to ensure that all options identified by Parties remain on the table, recalling the right for any Party to make submissions to be considered under the relevant agenda items.<sup>3</sup>

#### **B. Scope**

3. The annex contains the additional tool under agenda item 3, "Further guidance in relation to the mitigation section of decision 1/CP.21 on: (a) features of nationally determined contributions, as specified in paragraph 26; (b) information to facilitate clarity, transparency and understanding of nationally determined contributions, as specified in paragraph 28; and (c) accounting for Parties' nationally determined contributions, as specified in paragraph 31". The tool was prepared by the APA Co-Chairs with the assistance of Mr. Sin Liang Cheah (Singapore) and Ms. Gertraud Wollansky (Austria).

4. The Co-Chairs recognize that:

(a) There are varying views on the structure of the guidance, including on differentiation and the scope of nationally determined contributions (NDCs); thus the tool does not constitute an

<sup>1</sup> See document FCCC/APA/2018/L.2/Add.1.

<sup>2</sup> FCCC/APA/2018/2, paragraph 21.

<sup>3</sup> FCCC/APA/2018/2, paragraph 22.

attempt to prejudge any next steps relating to the preparation of a draft negotiating text or the position of Parties on the further guidance and its content;

(b) A wide range of strongly held views on how to discuss the issues of scope of NDCs and differentiation were shared in the deliberations under this agenda item. While a number of Parties expressed the view that these issues should be discussed under each of the sub-items under this agenda item, a number of other Parties expressed the view that these issues should be discussed elsewhere under the process, and another number of Parties expressed the view that these issues were already treated within the overall architecture of the Paris Agreement.

## **C. Approach**

5. The aim of the tool is to support Parties in their deliberations on agenda item 3, including identifying opportunities for:

(a) Streamlining of substantive elements (e.g. avoiding duplication, similar concepts or elements, and redundancies);

(b) Further conceptual clarification (e.g. identifying concepts or elements that may need further elaboration, or better understanding which concepts or elements form options);

(c) Improving the structure and placement of concepts and elements (e.g. those that may form part of a decision, those that may form part of the substantive elements or those that may need further work).

6. The tool was prepared as follows:

(a) It is based on the informal note on agenda item 3 contained in the annex to the APA 1.5 conclusions,<sup>4</sup> of which the content has not been altered; the tool does not cancel or supersede the informal note;

(b) No substantive elements, concepts or caveats have been removed or reinterpreted;

(c) For ease of navigation and reference, line numbering has been introduced;

(d) For readability, the elements that are currently still very general and not yet operational are in italics. Often such elements describe what the guidance should do or achieve rather than indicating how;

(e) Guiding questions that Parties may wish to consider have been included in boxes for each agenda sub-item;

(f) Proposals on how substantive elements may be further clustered or streamlined have also been included in boxes to allow for better navigation of the substantive elements in each section.

## **D. Possible action by the Ad Hoc Working Group on the Paris Agreement**

7. APA 1.6 may wish to consider this tool, in addition to the relevant informal note contained in the annex to the APA 1.5 conclusions, in its deliberations.

<sup>4</sup> As footnote 1 above.

## Annex

### Additional tool under item 3 of the agenda

**Further guidance in relation to the mitigation section of decision 1/CP.21 on: (a) features of nationally determined contributions, as specified in paragraph 26; (b) information to facilitate clarity, transparency and understanding of nationally determined contributions, as specified in paragraph 28; and (c) accounting for Parties' nationally determined contributions, as specified in paragraph 31**

#### CONTENT

	page
I. Features of NDCs	4-5
A. Identify and list existing features	4
B. New/additional features	4-5
C. Guidance/elaboration on features	5
II. Information to facilitate clarity, transparency and understanding (ICTU)	6-20
A. Objectives	6
B. Capacity of developing countries	6
C. Procedural elements	6-7
D. Substantive elements	7-19
III. Accounting for Parties' NDCs	20-35
A. Understanding of accounting	20
B. Objectives	20-21
C. Capacity of developing countries	21
D. Drawing from approaches under the Convention and the Kyoto Protocol	21-22
E. Procedural elements	22
F. Specific elements	22-35

## I. Features of NDCs

*A wide range of strongly-held views on how to discuss the issues of scope of NDCs and differentiation were shared. While a number of Parties expressed the view that these issues should be discussed under features, a number of other Parties expressed the view that these issues should be discussed elsewhere under the process, and another number of Parties expressed the view that these issues were already treated within the overall architecture of the Paris Agreement.*

### **Box 1: Possible questions on how to approach the work on features, Parties may wish to consider**

- How could the options on features be better organised and expressed more succinctly?

#### **A. Identify and list existing features**

##### *Option 1:*

- Art 2.1: NDCs to achieve the purpose of the agreement, promote low emissions and climate resilient development, make financial flows consistent with this and accelerate the development and transfer of technology; context of sustainable development and efforts to eradicate poverty;
- Art 2.2: equity, CBDRCC, national circumstances and differentiation;
- Art 3: National determination, include elements of mitigation, adaptation, financial support, technology development and transfer and capacity building;
- Art 4.1: long-term goals (peaking – slower for developing countries, and “a balance between anthropogenic emissions by sources and removals by sinks” by the second half of this century). “On the basis of equity”, aggregable;
- Art 4.2: national determination, Parties pursue domestic mitigation measures, successive, maintain NDCs, unconditional component, successive increment;
- Art 4.3: progression, highest ambition, national circumstances, CBDRCC;
- Art 4.4: economy-wide absolute emission reduction targets by developed countries, leadership by developed countries, encouragement for developing country Parties to move over time towards economy-wide absolute emission reduction targets, differentiation;
- Art 4.5: support to developing country Parties, differentiation, conditional component;
- Art 4.6: LDCs and SIDS to prepare and communicate plans and actions for low greenhouse gas emissions development;
- Art 4.7: mitigation co-benefits resulting from Parties adaptation actions and/or economic diversification plans;
- Art. 4.8: clear, transparent and understandable;
- Art. 4.9: communication every five years, informed by global stocktake, NDCs to be either for a 5 or 10-year period;
- Art. 4.10: common timeframes;
- Art. 4.11: upward adjustment;
- Art 4.12: registry;
- Art 4.13: accounting, quantifiable;
- Art 4.15: consideration of response measures, quantifiable;
- Art 4.16-4.18: collaborative or joint action;
- Art. 4.19: successive increment in a long-term time series;
- Art. 7.1: achieve the purpose of the agreement;
- Art 9.1: differentiation;
- Art 9.3: differentiation;
- Art 9.5: differentiation;
- Art 9.7: differentiation;
- Art 10: differentiation;
- Art 11: differentiation;
- Decision 1/CP.21, paragraph 25: communication 9-12 months in advance of relevant CMA session;
- Decision 1/CP.21, paragraph 27: reference years or periods, coverage in sectors and gases, metrics and guidelines.

##### *Option 2:*

- Recognize the work carried out so far;
- Features of NDCs are outlined in [[Article 3][Article 4][Articles 3 and 4][the relevant provisions] of] the Paris Agreement;
- While the efforts and level of ambition communicated by Parties are nationally determined, NDCs should be prepared and communicated pursuant to the Paris Agreement and the guidance adopted by the CMA, as applicable;

- 45 • Flexibility related to the nature of the features and characteristics included in NDCs to be provided to LDCs and
- 46 SIDS;
- 47 • Agrees to conclude the consideration of further guidance on features.

48 *Option 3: no text*

## **B. New/additional features**

49 *Option 1:*

- 50 • Identification of unaccounted sectors;
- 51 • Identification of sectors included in transactions of Internationally Transferred Mitigation Outcomes;
- 52 • Quantified support assessment for developing country Parties;
- 53 • Quantified support disbursement and pledged;
- 54 • Summary of mitigation measures linked to bunker fuels;
- 55 • Low carbon and climate resilience development strategies;
- 56 • Low carbon long term development strategies;
- 57 • Quantifiability, in terms of CO<sub>2</sub>e;
- 58 • Conditions and circumstances or specification of emissions reduction capacity without support;
- 59 • Coverage of all significant emission sectors and gases;
- 60 • Reflect a link to a Party's long-term strategy;
- 61 • To be based on real and meaningful data and/or baselines;
- 62 • Information related aspects: coverage of sectors and gases, reference years or periods, metrics and accounting
- 63 applied;
- 64 • NDCs to be in line with domestic development or poverty eradication strategies.

65 *Option 2: no text*

## **C. Guidance/Elaboration on features**

66 *Option 1:*

67 Guidance addressing all or a subset of features set out in A and B, where such guidance would assist Parties in  
68 preparing and communicating their NDCs, including inter alia on:

- 69 • Quantifiability of efforts in tonnes of CO<sub>2</sub>e;
- 70 • Progression;
- 71 • Highest possible ambition;
- 72 • Use of common IPCC metrics;
- 73 • Coverage, sources and removals;
- 74 • Reference points;
- 75 • Time frames for submission;
- 76 • Target years;
- 77 • Outline of all key assumptions;
- 78 • Statement of nature of NDC - economy-wide absolute emission reduction target, economy-wide emission reduction
- 79 or limitation target, or other;
- 80 • Domestic mitigation measures in place in support;
- 81 • Movement over time towards economy-wide emission limitation or reduction targets.

82 *Option 2: no text*

## II. Information to facilitate clarity, transparency and understanding (ICTU)

*A wide range of strongly-held views on how to discuss the issues of scope of NDCs and differentiation were shared. While a number of Parties expressed the view that these issues should be discussed under information, a number of other Parties expressed the view that these issues should be discussed elsewhere under the process, and another number of Parties expressed the view that these issues were already treated within the overall architecture of the Paris Agreement.*

### **Box 2: Possible questions on how to approach the work on Information, Parties may wish to consider**

- How could the ICTU elements within different sections be better organised and expressed more succinctly?
- Which elements of the guidance for ICTU needs to be decided by COP 24?
- Which elements of the guidance for ICTU, if any, can be addressed under APA item 3 sub-item on Accounting; which elements could be addressed under the transparency framework; and which elements could be addressed elsewhere?

#### **A. Objectives**

- *Facilitate the implementation of Article 4, paragraph 8, of the Paris Agreement;*
- *Enhance the clarity, transparency and understanding of Parties' NDCs, or contribute to a better understanding of NDCs;*
- *Be a tool or reference document to assist Parties in preparing and communicating their NDCs in line with the Paris Agreement;*
- *Assist Parties' domestic preparation of their NDCs, facilitate the exchange of best practices among Parties and contribute to raising public awareness of what Parties are going to do about climate change in the future;*
- *Enhance the transparency and predictability of climate action and foster trust among Parties;*
- *Facilitate the tracking of progress;*
- *Facilitate the aggregation and synthesizing of NDCs, including by the secretariat, also with a view to facilitating the global stocktake;*
- *Suitable for and relevant for the range of NDCs (target types, national capacities and circumstances) [and durable and designed to be relevant to absolute economy-wide emission reductions targets by developed country Parties, and over time economy-wide emission reduction or limitation targets by developing countries];*
- *Provide sufficient comparable information in the NDC submissions;*
- *Not present an additional burden on Parties, especially developing country Parties, in particular LDCs and SIDS;*
- *Not be prescriptive;*
- *Not aim to enable the quantification of NDCs or provide quantitative information;*
- *Not impose a common type of, or format for, NDCs.*

#### **B. Capacity of developing countries**

- *Developing countries, in particular LDCs and SIDS, require support in order to progressively improve the information included to contextualize their NDCs;*
  - *Recognize different starting points and capacities;*
  - *Incentive mechanisms should be established by the CMA to encourage and support developing country Parties to prepare, communicate and implement their NDCs and to provide relevant information in a successive and durable manner;*
  - *Consider to identify their capacity-building needs and increase their capacity for enhancing the clarity, transparency and understanding of their NDCs over time, including what support would be required relative to what is available;*
  - *Work with partners to build the capacity to improve the provision of information over time and support the implementation of NDCs.*
- *Flexibility to be provided to developing countries based on their NDC, in particular LDCs and SIDS, recognizing that LDCs and SIDS may communicate plans and actions for low GHG emissions development;*
  - *Provide continuous and adequate support to developing country Parties to identify their capacity-building needs and increase their capacity for enhancing the clarity, transparency and understanding of their NDCs over time.*

#### **C. Procedural elements**

- a. Channel
- Vehicle for communicating is the NDC, submitted to the NDC registry;



- 118 • Parties are to put forward the information of NDCs when communicating their NDCs;
  - 119 • ICTU to be provided in an information table that is annexed to the Party's NDC submission.
- 120 b. Timing/Application
- 121 • Second and subsequent NDCs;
  - 122 • Parties to apply the guidance for information of NDCs to their subsequent NDCs (with the timeframe from 2031
  - 123 onwards);
  - 124 • Guidance not to apply retrospectively to NDCs (or INDCs) already submitted;
  - 125 • Parties may elect to apply such guidance to their existing NDCs (most of which are pre-2030);
  - 126 • LDCs and SIDS, in the light of their special circumstances, are encouraged to apply the guidance to the extent
  - 127 possible;
  - 128 • The ICTU for the first NDCs to be provided as well with communication or update of those NDCs by 2020;
  - 129 • The guidance on information for clarity, transparency and understanding of NDCs to be applied by each Party as it
  - 130 communicates or updates its NDC in 2020, as required under 1/CP.21 paragraphs 23 and 24;
  - 131 • Parties may provide additional or updated information at any time.
- 132 c. Revision
- 133 *Option 1:*
- 134 • Review and, if necessary, revision of guidance at a future point following experience with implementation;
  - 135 • The CMA to define the year of the first review of the guidance, with a view to revising it on a regular basis;
  - 136 • After the first global stocktake.
- 137 *Option 2: no text*

## D. Substantive elements

### Section D1

The informal note by the co-facilitators issued at APA 1-4 (final version of 13 November 2017) on pages 9-72 as well as the submissions and interventions by Parties since APA 1-4 contain views from Parties on the substantive elements relating to information to facilitate clarity, transparency and understanding of nationally determined contributions. We noted that through these inputs, Parties have proposed a variety of different approaches for structuring the substantial elements. The views submitted on pages 9-10, 18-20, 42-57 and in one submission<sup>1</sup> proposed that information elements on mitigation be structured based on paragraph 27 of decision 1/CP.21, and applicable to all Parties or depending on the type of mitigation target in the NDC. The views contained on pages 10-15 structure the substance to take reference from Article 3 of the Paris Agreement, with differentiated guidance for developed and developing country Parties. The views contained on pages 57-62 and in one submission<sup>2</sup>, differentiate the applicability of the guidance on the basis of share of global emissions, GDP numbers, and per-capita cumulative historical emissions, respectively. The views contained on pages 15-18, 21-42, 55, 62-72 and in one submission<sup>3</sup> structure the substance along the elements of paragraph 27 as well as additional elements.

The following section D2 is our attempt to streamline the pages 9-72 containing Parties views on substantive elements relating to "information to facilitate clarity, transparency and understanding of nationally determined contributions" in a way that might help Parties to navigate the relevant ideas and elements contained in the inputs from Parties. Section D2 is not intended to prejudice or prejudice Parties positions and is also not intended to prejudice the varying views on the structure of the guidance.

<sup>1</sup> Submission by Turkey received on 3 May 2018: <https://unfccc.int/process/bodies/subsidiary-bodies/ad-hoc-working-group-on-the-paris-agreement-apa/information-on-apa-agenda-item-3/submissions-received-on-apa-item-3>

<sup>2</sup> Submission by India received on 3 May 2018: <https://unfccc.int/process/bodies/subsidiary-bodies/ad-hoc-working-group-on-the-paris-agreement-apa/information-on-apa-agenda-item-3/submissions-received-on-apa-item-3>

<sup>3</sup> Submission by African Group of Negotiators (AGN) received on 9 April 2018: <https://unfccc.int/process/bodies/subsidiary-bodies/ad-hoc-working-group-on-the-paris-agreement-apa/information-on-apa-agenda-item-3/submissions-received-on-apa-item-3>

This “navigation tool” does not replace the APA 1-4 agenda item 3 informal note by the co-facilitators until Parties decide otherwise. To provide Parties with the assurance that their proposals in relation to “information to facilitate clarity, transparency and understanding of nationally determined contributions” are preserved and kept on the table the informal note by the co-facilitators issued at APA 1-4 (final version of 13 November 2017) is virtually annexed to this document, available at: [https://unfccc.int/files/meetings/bonn\\_nov\\_2017/in-session/application/pdf/apa\\_3\\_informal\\_note\\_final\\_version.pdf](https://unfccc.int/files/meetings/bonn_nov_2017/in-session/application/pdf/apa_3_informal_note_final_version.pdf).

## Section D2

This document is not intended to prejudge or prejudice any next steps relating to the preparation of a draft negotiating text or the position of Parties on further guidance and its contents. It is also not intended to replace the APA 1-4 agenda item 3 informal note by the co-facilitators but to serve as a facilitative tool to help Parties “navigate” 180-pages of the APA 1-4 agenda item 3 informal note. It does not represent agreed views, ideas or text nor does it attempt to draw any conclusions on possible areas of convergence or divergence. The order of the elements and related proposals contained in this note does not correspond to any hierarchy or sequencing according to convergence or importance. The co-facilitators also recognize that nothing is finalized until the guidance on NDCs is finalized.

With regard to information to facilitate clarity, transparency and understanding of nationally determined contributions, as specified in paragraph 28, various Parties have recalled that paragraph 27 of 1/CP.21 states the following:

*“Agrees that the information to be provided by Parties communicating their nationally determined contributions, in order to facilitate clarity, transparency and understanding, may include, as appropriate, inter alia, quantifiable information on the reference point (including, as appropriate, a base year), time frames and/or periods for implementation, scope and coverage, planning processes, assumptions and methodological approaches including those for estimating and accounting for anthropogenic greenhouse gas emissions and, as appropriate, removals, and how the Party considers that its nationally determined contribution is fair and ambitious, in the light of its national circumstances, and how it contributes towards achieving the objective of the Convention as set out in its Article 2.”*

There is no agreement whether the following elements would apply to all or to a group of Parties.

Various views were expressed on whether there should be different applicability for the following elements, such as one or more of the below:

- All Parties to provide information on all the following elements, or each Party to provide information on all the following elements depending on the contents of its NDC; or
- Developed country Parties to provide information on all the following elements and Developing country Parties to provide information at their discretion/provide information on the following elements over time; or
- Those parties with GDP/emissions/per capita cumulative historical emissions above a particular level to provide information on all the following elements and other Parties to provide information at their discretion/provide information on the following elements over time.

### Streamlined list of substantive elements

#### **Quantifiable information on the reference point (including, as appropriate, a base year)**

- Information on:
  - The base year and/or reference period;
  - Conditions and point in time under which the base point/year/baselines/reference level will be updated, if applicable;
  - Parameters used to formulate the mitigation contribution;
  - Indicators used to quantify the reference point (metrics, source data, values).

#### **Time frames and/or periods**

- Information on:
  - Time frame and/or period for implementation;
  - The target being a single-year or a multi-year target, if applicable;
  - Cross reference to the consideration by the CMA of Article 4.10;
  - PLACEHOLDER outcome of common time frames under SBI.

#### **Scope and coverage**

- Information on:

- Coverage of NDC, in relation to the IPCC guidance on national greenhouse gas inventories, including on sectors, gases, categories, including land categories, if applicable, pools, activities;
- Definitions of the sectors and/or the categories used;
- The difference if the definition of a sector or category varies from definitions used in the national inventory report and/or by the IPCC;
- Whether categories of anthropogenic emissions and removals reflect continued coverage of categories covered in previous NDCs;
- How the NDC has considered the encouragement to include all categories of anthropogenic emissions and removals;
- Move over time to economy-wide emission reduction or limitation targets;
- Other GHGs included following review by the UNFCCC of IPCC guidelines;
- Excluded sectors, gases or categories;
- The timeline for economy-wide coverage, if applicable;
- The significance of that gas or sector in national emissions, if applicable;
- Whether the Party intends to use voluntary cooperation under Article 6;
- Whether NDCs include mitigation, adaptation and/or means of implementation;
- Percentage of the national net GHG emissions;
- Geographical coverage.

## Planning processes

- Information on:
  - Domestic planning processes in relation to the NDC, as appropriate including, as applicable, on:
    - laws, policies, legal and institutional frameworks, plans and processes relevant for the NDCs;
    - domestic planning processes that Parties have undertaken to determine their NDC;
    - domestic mitigation measures aimed at achieving the NDC;
    - institutional responsibilities;
    - stakeholder consultations and other processes to achieve the objectives of the NDC, including with indigenous peoples; local communities; elders and youth; just transition; gender; human rights; other important considerations;
    - process conducted in the design of the NDC;
    - how different public agencies and levels of government helped design the NDC.
  - Information gaps, barriers or issues that the Party faced during the NDC design process;
  - How the NDC relates to development plans or strategies;
  - How the NDC relates to poverty eradication plans or strategies;
  - How the NDC relates to long-term low greenhouse gas emission development strategies, referred to in Article 4.19, if applicable;
  - How the NDC has been informed by the outcomes of the global stocktake in accordance with Article 4.9 of the Paris Agreement, and the 2018 Talanoa Dialogue, if applicable;<sup>4</sup>

## Assumptions and methodological approaches

- Information on:
  - Approaches that will be used for accounting for anthropogenic greenhouse gas emissions and removals, including on:
    - how the approach is consistent with the NDC and the Party's national circumstances;
    - the methodological approach used to estimate emissions and removals towards their NDC and clarify which sources and sinks are not accounted for, if relevant;
    - if the approach will vary by sector or activity, describe each approach in detail.
  - How the base year(s)/reference indicator(s)/baseline(s) and or reference levels are constructed, including parameters, key assumptions, definitions, methodologies, data sources, models used;
  - Methods and assumptions related to main drivers of national GHG emissions that allow to understand the evolution of those emissions as well as their expected value in the target year;
  - Quantification of emission reductions in tonnes of CO<sub>2</sub> or CO<sub>2</sub> equivalent;
  - Use of the IPCC methodologies and metrics for estimations of GHG emissions and removals, if appropriate in accordance with:
    - methodologies and common metrics assessed by the IPCC and adopted by the CMA;
    - the accounting guidance (if appropriate);
    - 1/CP.21 paragraph 31(a);
    - decision XXX and YYY of the CMA, respectively.

<sup>4</sup> Some Parties have suggested placing this under "Fairness and Ambition"

- Assumptions and methodological approaches specific to LULUCF, forests and REDD+, if included in NDC:
  - treatment in NDC (e.g. accounting like any other sector, sectoral target);
  - accounting approach (e.g. land-based vs. activity-based), in accordance with the guidance decided by the CMA;
  - use of base years/base periods/reference levels;
  - information on reference level, if this accounting approach is used, and its relation to the overall baseline;
  - coverage of activities/categories or sub-categories/pools, including HWP/fluxes/gases (comprehensive/partial);
  - intention to exclude emissions from natural disturbances and provisions to be applied;
  - treatment of HWP, natural disturbance, legacy effects, other;
  - linkage to IPCC categories/pools;
  - if using managed land proxy, specify which land is classed as managed;
  - construction of any specific baselines for land use categories/activities.
- The intended use of voluntary cooperation under Article 6, in accordance with the guidance decided by the CMA, including as appropriate:
  - the intended accounting approach to be used in accordance with relevant guidance;
  - a description of how these markets may be used, including the estimated volume of internationally transferred mitigation outcomes that may be used towards the achievement of the nationally determined contribution, or transferred to another stakeholder, or another Party for use towards a nationally determined contribution.
- Intended or proposed domestic mitigation measures that the Party will pursue to implement its NDC in accordance with Article 4.2 of the Paris Agreement;
- Pursuant to Article 4.7 of the Paris Agreement on mitigation co-benefits resulting from Parties' adaptation actions and/or economic diversification plans;<sup>5</sup>
- How the Party will ensure the methodological consistency between the communication and implementation of its NDC;
- Any changes that may occur during implementation and that affect the NDC: be reflected in the progress report as referred to in Article 13.7 (b) of the Paris Agreement;
- How any existing methods and guidance under the convention and Kyoto Protocol has been taken into account.

## **Fairness and ambition**

- Information on:
  - How the party considers that its NDC is fair and ambitious, in the light of its national circumstances;
  - Fairness considerations of efforts such as approaches and concepts that the Party has used to operationalize equity and fairness considerations;
  - How the Party's successive nationally determined contribution will represent a progression beyond the Party's then current nationally determined contribution and reflect its highest possible ambition, reflecting its common but differentiated responsibilities and respective capabilities, in the light of different national circumstances, as per Article 4.3 of the Paris Agreement;
  - How the Party has addressed Article 4.4 and Article 4.6 of the Paris Agreement;
  - How inputs from the best available science was considered in the Party's NDC, in a view of the UNFCCC and the Paris Agreement goals;
  - Emissions levels or trajectory under the NDC compared to the appropriate counterfactual (e.g. BAU scenario, historic reference year etc.);
  - Features of geography, climate or economy that set practical limits on ambition;
  - The conditional part of the contribution, if relevant;<sup>6</sup>
  - How the NDC contributes towards achieving the objective of the Convention as set out in its Article 2;
  - How the NDC is consistent with the global temperature goal as described in Article 2.1(a) of the Paris Agreement;
  - How the NDC is consistent with the collective aim to reach global peaking of GHG emissions as soon as possible and undertake rapid reductions thereafter (Article 4.1);
  - How the Party considers that its efforts foster low greenhouse gas emissions development in a manner that does not threaten food production;

<sup>5</sup> Some Parties have suggested placing information on the type of their mitigation contribution under "Fairness and ambition"

<sup>6</sup> Some Parties have suggested to place this under "Planning Processes"

- How the Party considers that its efforts are strengthening the global response to the threat of climate change and foster low greenhouse gas emissions development, in the context of sustainable development and efforts to eradicate poverty and in a manner, that does not threaten food production;
- How its NDCs are in line with its long-term low-emission development strategy and mitigation goal.

**Box 3: Examples on how the substantive elements of this section can be further streamlined/structured**

Topic	Streamlined elements
Quantifiable information on the reference point (including, as appropriate, a base year)	<ul style="list-style-type: none"> <li>• Base year / reference period;</li> <li>• Conditions and timing to update base point/year/baselines/reference level;</li> <li>• Parameters used to formulate the mitigation contribution;</li> <li>• Indicators used to quantify the reference point.</li> </ul>
Time frames and/or periods	<ul style="list-style-type: none"> <li>• Time frame and/or period for implementation;</li> <li>• Single-year or a multi-year target;</li> <li>• PLACEHOLDER work on common time frames (4.10 of the Paris Agreement).</li> </ul>
Scope and coverage	<ul style="list-style-type: none"> <li>• Coverage of sectors, gases, categories, including land categories, if applicable, pools, activities, in relation to IPCC guidance;</li> <li>• Definitions of the sectors and/or categories, including in relation to IPCC definitions;</li> <li>• Continued coverage of categories;</li> <li>• Strive to include all categories;</li> <li>• Timeline for economy-wide coverage;</li> <li>• Excluded sectors, gases or categories;</li> <li>• The significance/percentage of gas or sector in national emissions;</li> <li>• Intention to use voluntary cooperation under Article 6;</li> <li>• Geographical coverage.</li> </ul>
Planning processes	<ul style="list-style-type: none"> <li>• Domestic planning processes, related to, as appropriate: <ul style="list-style-type: none"> <li>○ laws, policies and measures, legal and institutional frameworks, plans and processes relevant for the NDCs;</li> <li>○ stakeholder consultations and other processes to achieve the objectives of the NDC, including with indigenous peoples; local communities; elders and youth; just transition; gender; human rights; other important considerations;</li> </ul> </li> <li>• Information gaps/barriers during the NDC design process;</li> <li>• Relation of NDC to long term planning, including development / poverty eradication / long-term low GHG emission development (4.19) plans or strategies;</li> <li>• NDCs informed by the global stocktake (4.9).</li> </ul>
Assumptions and methodological approaches	<ul style="list-style-type: none"> <li>• Approaches/methodologies that will be used for accounting for anthropogenic GHG emissions and removals, in accordance with accounting guidance;</li> <li>• IPCC methodologies and metrics, in accordance with accounting guidance;</li> <li>• Construction of the base year(s)/reference indicator(s)/baseline(s) and or reference levels;</li> <li>• Main drivers of national GHG emissions;</li> <li>• Quantification of emission reductions;</li> <li>• Assumptions and methodological approaches specific to LULUCF, forests and REDD+, if included in NDC, in accordance with accounting guidance;</li> <li>• Treatment of HWP, natural disturbance, legacy effects, other;</li> <li>• Use of voluntary cooperation under Article 6;</li> <li>• Domestic mitigation measures that the Party will pursue (4.2);</li> <li>• Mitigation co-benefits resulting from Parties' adaptation actions and/or economic diversification plans (4.7);</li> <li>• Ensure the methodological consistency between the communication and implementation;</li> <li>• Any changes that may occur during implementation;</li> <li>• Existing methods and guidance under the Convention and Kyoto Protocol.</li> </ul>
Fairness and ambition	<ul style="list-style-type: none"> <li>• Consideration of fairness and ambition, including equity;</li> <li>• Progression and highest possible ambition (4.3);</li> </ul>

	<ul style="list-style-type: none"> <li>• How the Party has addressed Article 4.4 and Article 4.6 of the Paris Agreement;</li> <li>• Consideration of best available science;</li> <li>• Emissions levels or trajectory compared to counterfactual;</li> <li>• Geography, climate or economy;</li> <li>• Conditional part of the contribution;</li> <li>• Contribution to the objective of the Convention (Article 2);</li> <li>• Consistency with Article 2.1(a) and/or Article 4.1 of the Paris Agreement;</li> <li>• Consideration of sustainable development and efforts to eradicate poverty and in a manner, that does not threaten food production;</li> <li>• Relation of NDC and long-term low-emission development strategy and mitigation goal.</li> </ul>
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Various views were expressed by Parties on whether the following elements should be included or not. These views include:

- These elements should not be contained in the guidance; or
- These elements should be contained in the guidance and applicable to different types of mitigation targets.

#### *Streamlined list of substantive elements*

#### **Additional general information on NDC, incl. information on the elements under Article 4**

- Information on:
  - Specific information applicable to Parties that decided to act jointly under Article 4.2 of the Paris Agreement, including the Parties that agreed to act jointly and the terms of this agreement, in accordance with Article 4.16 – 4.18 of the Paris Agreement;
  - How Parties take into consideration the concerns of Parties with economies most affected by the impacts of response measures, particularly developing country Parties;
  - Information pursuant to article 4, paragraph 7 of the Paris Agreement on mitigation co-benefits resulting from Parties' adaptation actions and/or economic diversification plans;
  - Additional information relevant to the clarity, understanding and transparency of the NDC, noting that such information would not be subject to review under article 13;
  - Specific information on compliance to implementation;
  - Specific information on review & verification;
  - Information on mitigation, adaptation and means of implementation: include, as appropriate, the items in the information list, as set out in paragraph 27 of decision 1/CP.21;
  - Sustainable life styles;
  - Best practices and experience related to the preparation of the NDCs;
  - Potential climate benefits and co-benefits in other areas resulting from the implementation of the NDCs;
  - Measures and policies related to the implementation of the NDCs;
  - Information on several or all of the items the items listed in paragraph 27 of decision 1/CP.21;
  - Whether their NDCs include mitigation, adaptation and/or support.

#### **Additional information on the mitigation target of the NDC**

- Description of the target/of each of the different targets if there are several:
  - General description of the mitigation contribution [, including as appropriate a quantitative description of the target, type of target, headline percentage reduction, and/or policy objective] [, including on:
    - sub-targets and sectoral mitigation plan;
    - conditional part of the contribution, if relevant;
    - whether the target is a single-year or a multi-year target;
    - criteria for determining targets;
    - voluntary indicators/parameters which are deemed necessary by Parties, considering national capacity and needs;
    - mitigation costs;]
  - Description how the contribution is expressed: e.g. as point target, carbon budget;
  - Information on economy-wide absolute emission reduction targets, if applicable, including:
    - general information in paragraph 27 of decision 1/CP.21 and other information as set out in decision 2/CP.17 and 19/CP.18;
    - information on the implementation of article 4 paragraph 15;
    - quantitative estimated effects resulting from the mitigation component of their NDCs;
    - existing and envisaged policies and measures to support the implementation of their emission reduction targets;
    - intentions to use ITMOs under Article 6 of the Paris Agreement; and
    - how the mitigation component of their NDCs could demonstrate their leadership in mitigating climate change;
    - information on measures relevant to the implementation of their targets at the domestic and international levels.
  - Information on domestic measures, including both existing and anticipated additional laws, plans and policies;
  - Information on international measures, including joint implementation as set out in Articles 4.16-4.18 of the Paris Agreement and the intention to use international transferred mitigation outcomes under Article 6 of the Paris Agreement;
  - Additional information on mitigation co-benefits resulting from Parties' adaptation actions and/or economic diversification plans;
  - Specific information on the implementation of Article 4.15 of the Paris Agreement;



- Information on their enhanced mitigation efforts and information on possible benefits and effects to be achieved correspondent to different scales of support to be received;
- Mitigation information, on several or all of the items listed in paragraph 27 of decision 1/CP.21;
- Expected emissions trajectory that will be followed by the Party to meet its mitigation goal;
- Reported emission level changes due to improvements in transparency, accuracy, completeness, comparability and consistency of data, if applicable;
- Indicators used to track progress and to assess the attainment of the objective.

#### **Additional information on multiple or different types of mitigation targets in NDCs**

- If the Party has referred to an emissions reduction or limitation target: information relating to an absolute, economy-wide emissions reduction or limitation target, if relevant, including:
  - expected emissions level in base year and target year for fixed level target;
  - headline number in terms of emission reduction in % relative to the base year;
  - further information to help understand the NDC;
  - multi-year or single year targets (budget-based or single year approach).
- If the Party has referred to a BAU baseline or scenario: information relating to the construction of base years/baselines/reference levels including assumptions and parameters, if relevant, including on:
  - expected emissions level in the target year for mitigation targets based on BAU deviation;
  - headline number in terms of emission reduction in % relative to the base year;
  - the quantified value of the base year and target year, should a projected baseline be used;
  - baseline, including emissions level in terms of CO<sub>2</sub>e;
  - quantifiable information on the assumptions and methodologies used to construct trajectories and any projected baseline [, and whether these assumptions are consistent overtime];
  - use of projection based baselines and/or reference levels, including coverage of policies and measures and projection methodology/model;
  - policies and measures included/excluded in the baseline, and on what basis?
  - the approach used to establish a projected baseline, if any;
  - model used to develop BAU baseline;
  - whether the baseline is static or dynamic.
- If a Party has referred to emission intensity: information relating to the intensity target, if applicable, including on:
  - expected emissions intensity in the target year for mitigation intensity targets;
  - quantified target level of emissions or emission reduction per unit of GDP, unit of product/output or population, or another indicator;
  - the level of emissions intensity in the base year/for the baseline;
  - index value for the base year;
  - headline number in terms of intensity reduction in %;
  - quantifiable information on the assumptions and methodologies used to construct trajectories and any intensity target [, and whether these assumptions are consistent overtime];
  - data sources [for the index value];
  - source and type of GDP used, if applicable;
  - past trends;
  - projections, if available;
  - timing and parameters of updates.
- If a Party has referred to an emission peaking target: information relating to the emission peaking target, if applicable, including on:
  - peaking year;
  - expected emissions level in peaking year and emissions trajectory towards it for peaking emissions target, if available;
  - expected rate of emissions decline after peak, if available.
- If a party has referred to the implementation of policies and measures: information relating to the policy and measures, if applicable, including on:
  - qualitative description of the policies and measures, including on mitigation co-benefits resulting from adaptation actions and/or economic diversification plans;
  - quantitative information on expected emissions from the policies and measures (if possible) [or avoided from the policies and measures in terms of CO<sub>2</sub>e];
  - description of methodological approaches used to measure impact of policy, plan or action;
  - estimated quantified emissions impact (if available) and underlying assumption;
  - base year(s) for policy objectives that are part of the contribution such as increasing energy efficiency or forest cover;



- non-GHG contribution including implementation of policies and measures;
- explanation on how to track the progress in implementation of the contribution, including, if applicable, identifying quantifiable indicators;
- indicators the party will use to assess the attainment of the objective;
- clear non GHG goals.
- If a party has referred to mitigation co-benefits resulting from Parties' adaptation actions and/or economic diversification plans: technical information on mitigation contributions as necessary, including if available:
  - description of actions, including diversification plans;
  - indicators the party will use to assess the attainment of the objective;
  - information, if applicable, on how adaptation actions and/or economic diversification plans contribute to mitigation outcomes of the NDC;
  - estimated impact of adaptation actions in emissions levels;
  - any additional technical information the Party deems relevant to specify their GHG and/or non-GHG mitigation contributions, including related mitigation co-benefit resulting from Parties' adaptation actions and/or economic diversification plans, and other kinds of contributions.
- If a Party has referred to achieving carbon/emission neutrality: information relating to the achieving carbon/emission neutrality, if applicable, including on:
  - definition of carbon or emission neutrality;
  - accounting approach used for carbon neutrality;
  - how emissions from the land sector will be accounted for;
  - whether and to what extent units from international market mechanisms or other compensation activities/credits will be used to reach target.
- PLACEHOLDER for specific guidance as per type of target.

**Box 4: Examples on how the substantive elements of this section can be further streamlined/structured**

Topic	Streamlined elements
Additional general information on NDC, incl. information on the elements under Article 4	<ul style="list-style-type: none"> <li>• Parties acting jointly under Article 4.2, in accordance with Article 4.16 – 4.18;</li> <li>• Consideration of the impacts of response measures (Article 4.15);</li> <li>• Mitigation co-benefits resulting from Parties' adaptation actions and/or economic diversification plans (Article 4.7);</li> <li>• Additional information on clarity, understanding and transparency of the NDC;</li> <li>• Compliance to implementation;</li> <li>• Review &amp; verification;</li> <li>• Sustainable life styles;</li> <li>• Best practices and experience related to the preparation of the NDCs;</li> <li>• Climate benefits and co-benefits in other areas;</li> <li>• Policies and measures;</li> <li>• Several or all of the items the items listed in paragraph 27 of decision 1/CP.21, relevant for mitigation, adaptation and means of implementation;</li> <li>• Whether NDC includes mitigation, adaptation and/or support.</li> </ul>
Additional information on the mitigation target of the NDC	<ul style="list-style-type: none"> <li>• General description of the mitigation contribution/target, including if relevant on:               <ul style="list-style-type: none"> <li>○ sub-targets and sectoral mitigation plan;</li> <li>○ conditional part;</li> <li>○ criteria for determining targets;</li> <li>○ voluntary indicators/parameters;</li> <li>○ mitigation costs.</li> </ul> </li> <li>• Single-year or a multi-year target;</li> <li>• Mitigation information, on several or all of the items listed in paragraph 27 of decision 1/CP.21;</li> <li>• Other information as set out in decision 2/CP.17 and 19/CP.18;</li> <li>• Consideration of the impacts of response measures (Article 4.15 of the Paris Agreement);</li> <li>• Existing and planned policies and measures relevant for implementation;</li> <li>• Quantitative estimated effects of NDC;</li> <li>• Use of ITMOs as referred to in Article 6, of the Paris Agreement;</li> <li>• Demonstrate their leadership in mitigating climate change;</li> <li>• Parties acting jointly under Article 4.2, in accordance with Article 4.16 – 4.18;</li> <li>• Mitigation co-benefits resulting from Parties' adaptation actions and/or economic diversification plans (Article 4.7 of the Paris Agreement);</li> </ul>

	<ul style="list-style-type: none"> <li>• Benefits/effects corresponding to different scales of support to be received;</li> <li>• Expected emissions trajectory;</li> <li>• Reported emission level changes;</li> <li>• Indicators used to track progress.</li> </ul>
<b>Additional information on multiple or different types of mitigation targets in NDCs</b>	
Absolute, economy-wide emissions reduction or limitation target	<ul style="list-style-type: none"> <li>• Expected emissions level in base year and target year;</li> <li>• Headline number;</li> <li>• Further information to help understand the NDC;</li> <li>• Multi-year or single year targets.</li> </ul>
BAU baseline or scenario target	<ul style="list-style-type: none"> <li>• Expected emissions level in the base year and target year target year;</li> <li>• Headline number;</li> <li>• Baseline, including emissions level in terms of CO<sub>2</sub>e;</li> <li>• Assumptions, methodologies, models used to construct trajectories/projected baseline;</li> <li>• Coverage of policies and measures;</li> <li>• Static or dynamic baseline.</li> </ul>
Intensity target	<ul style="list-style-type: none"> <li>• Expected emissions intensity in the base year and/or target year;</li> <li>• Headline number;</li> <li>• Index value for the base year;</li> <li>• Assumptions, methodologies, models used to construct trajectories/ intensity target;</li> <li>• Data sources;</li> <li>• Source and type of GDP used, if applicable;</li> <li>• Past trends;</li> <li>• Projections;</li> <li>• Timing and parameters of updates.</li> </ul>
Emission peaking target	<ul style="list-style-type: none"> <li>• Peaking year;</li> <li>• Expected emissions level in peaking year;</li> <li>• Expected emissions trajectory towards peaking year;</li> <li>• Expected rate of emissions decline after peak.</li> </ul>
Implementation of policies and measures	<ul style="list-style-type: none"> <li>• Qualitative description of the policies and measures;</li> <li>• Estimated quantified emissions impact;</li> <li>• Description of methodological approaches used to measure impact of PAMs;</li> <li>• Base year(s) for policy objectives;</li> <li>• Non-GHG contribution;</li> <li>• How to track the progress in implementation of the contribution;</li> <li>• Mitigation co-benefits resulting from adaptation actions and/or economic diversification plans.</li> </ul>
Mitigation co-benefits resulting from Parties' adaptation actions and/or economic diversification plans	<ul style="list-style-type: none"> <li>• Description of actions, including diversification plans;</li> <li>• Information, if applicable, on how adaptation actions and/or economic diversification plans contribute to mitigation outcomes of the NDC;</li> <li>• Estimated impact of adaptation actions in emissions levels;</li> <li>• Indicators to assess the attainment of the objective;</li> <li>• Any additional technical information.</li> </ul>
Carbon/emission neutrality	<p>If a Party has referred to achieving carbon/emission neutrality, information on:</p> <ul style="list-style-type: none"> <li>• Definition of carbon or emission neutrality;</li> <li>• Accounting approach;</li> <li>• Accounting approach for emissions from the land sector;</li> <li>• Whether and to what extent units from international market mechanisms or other compensation activities/credits will be used to reach the target.</li> </ul>
Other targets	<ul style="list-style-type: none"> <li>• PLACEHOLDER for specific guidance as per type of target.</li> </ul>

Various views were expressed by Parties on whether the following elements should or should not be included in the guidance, or whether they are in or out of the mandate of APA 3. These views include:

- These elements are outside the mandate of this agenda item and hence there should be no text; or
- These elements are in the mandate of this agenda item and hence should be included in the guidance.

#### Streamlined list of substantive elements

##### **Information on adaptation:**

- Information on:
  - If a Party included an adaptation communication as a component of its NDC: follow the guidance being developed under APA agenda item 4;
  - NDC guidance for adaptation actions and/or economic diversification plans resulting in mitigation co-benefits;
  - The adaptation component of the NDC, both on actions and support provided and needed, as appropriate, in accordance with Articles 7, 9, 10 and 11 of the Paris Agreement;
  - Adaptation efforts in their NDCs;
  - Relevant information as set out in paragraph 27 of decision 1/CP.21 and information related to the adaptation communication referred to in Articles 7.10 and 7.11 of the Paris Agreement, taking into account the outcome of APA agenda item 4;
  - Additional specific information on Parties' adaptation actions and/or economic diversification plans that result in Mitigation co-benefits;
  - Adaptation efforts and needs in the NDC, if applicable;
  - General information of NDCs above, if applicable and the outcome of APA agenda item 4.

##### **Information on support**

- Information on:
  - Developed country Parties: indicative quantitative and qualitative the information on provision and mobilization of support in accordance with Article 9.5 and its related guidance:
    - and 3, 4.5, 4.8, 10 and 11 of the Paris Agreement and paragraphs 27 and 55 of decision 1/CP.21;
    - as well as taking into account relevant information requirements as set out in decision 19/CP.18.
  - Other Parties are encouraged to provide or continue to provide such information voluntarily;
  - Developing country Parties: information on how enhanced support will allow for higher ambition in their efforts;
  - Developing country Parties: information on finance, technology and capacity-building support needed related to implementation of their NDCs;
  - Cross-reference to negotiations on finance.

##### **Information on finance**

- Developed countries parties: quantified information on provision of finance support in their NDCs, including the following information:
  - base year;
  - period for implementation;
  - quantitative amount in the following two years and five years;
  - sources, including ratio between public and other resources;
  - delivery channels;
  - areas and priorities of support;
  - relevant assumptions and methodologies for accounting the financial resources, and [, estimating public finance, identifying resources mobilized by public interventions and other policies and attributing private investment];
  - fairness and ambition why such financial resources are new and additional and how such financial support will assist developing country Parties to implement their NDCs;
  - actions to make available the public finance, policies to attract finance flows from other resources and the causality between public interventions and mobilized investments.
- Other Parties are encouraged to provide or continue to provide such information voluntarily;
- Developing country parties: information on finance support needed in relation to implementing their NDCs.

##### **Information on technology**

- Developed countries parties: quantifiable information on provision of technology development and transfer support in their NDCs, including the following information:
  - types of support;

- base year;
- period for implementation;
- relevant amount of financial resources to be provided;
- delivery channels;
- areas and priorities of support;
- plans and policies [to encourage the participations by business and research institutes];
- measures on incentivizing innovation, promoting international collaboration on R&D, demonstration and deployment and facilitating the access to technologies and address barriers to their transfer to developing countries;
- programmes and projects to be conducted by public agencies;
- relevant methodologies and assumptions on estimating their support;
- [fairness and ambition, including] How such support will assist developing country Parties to implement their NDCs and increase their access to climate related technologies.
- Other Parties are encouraged to provide or continue to provide such information voluntarily;
- Developing countries parties: information on technology development and transfer support needed in relation to implementing their NDCs.

#### Information on capacity building

- Developed countries parties: information on provision of capacity-building support in their NDCs, including the following information:
  - types of support;
  - base year;
  - period for implementation;
  - relevant amount of financial resources to be provided;
  - delivery channels;
  - areas and priorities of support;
  - policies, programmes and projects of capacity-building;
  - relevant methodologies and assumptions on estimating their support; and
  - how such support will assist developing countries to strengthen their capacities on combating climate change.
- Other Parties are encouraged to provide or continue to provide such information voluntarily;
- Developing countries parties: information on capacity-building support needed in relation to implementing their NDCs.

#### Information on support needs/received

- Developing country Parties: information on the costs and barriers on implementing their NDCs and needs on finance, technology and capacity-building support.

#### Box 5: Examples on how the substantive elements of this section can be further streamlined/structured

Topic	Streamlined elements
Information on adaptation	<ul style="list-style-type: none"> <li>• In accordance with guidance being developed under APA agenda item 4;</li> <li>• NDC guidance for adaptation actions and/or economic diversification plans resulting in mitigation co-benefits;</li> <li>• Adaptation component in accordance with Articles 7 (specifically 7.10 and 7. 11), 9, 10 and 11 of the Paris Agreement;</li> <li>• Adaptation efforts in NDC;</li> <li>• Adaptation needs in the NDC;</li> <li>• Relevant information as set out in paragraph 27 of decision 1/CP.21 and information related to the adaptation communication.</li> </ul>
Information on support	<ul style="list-style-type: none"> <li>• Developed country Parties: indicative quantitative and qualitative the information on provision and mobilization of support in accordance with Article 9.5 and its related guidance:               <ul style="list-style-type: none"> <li>○ and Articles 3, 4.5, 4.8, 10 and 11 of the Paris Agreement and paragraphs 27 and 55 of decision 1/CP.21;</li> <li>○ and relevant information requirements as set out in decision 19/CP.18;</li> </ul> </li> <li>• Other Parties are encouraged to provide or continue to provide such information voluntarily;</li> <li>• Developing country Parties: information on how enhanced support will allow for higher ambition in their efforts;</li> </ul>

	<ul style="list-style-type: none"> <li>• Developing country Parties: support needs;</li> <li>• Cross-reference to negotiations on finance.</li> </ul>
Information on finance	<ul style="list-style-type: none"> <li>• Developed countries parties: quantified information on provision of finance support, including: <ul style="list-style-type: none"> <li>○ base year;</li> <li>○ period for implementation;</li> <li>○ quantitative amount in the following two years and five years;</li> <li>○ sources, including ratio between public and other resources;</li> <li>○ delivery channels;</li> <li>○ areas and priorities of support;</li> <li>○ relevant assumptions and methodologies for accounting the financial resources;</li> <li>○ fairness and ambition;</li> <li>○ new and additional;</li> <li>○ how such financial support will assist developing country Parties to implement their NDCs;</li> <li>○ actions to make available the public finance, policies to attract finance flows from other resources.</li> </ul> </li> <li>• Other Parties are encouraged to provide or continue to provide such information voluntarily;</li> <li>• Developing country parties: information on finance support needed.</li> </ul>
Information on technology	<ul style="list-style-type: none"> <li>• Developed countries parties: quantifiable information on provision of technology development and transfer support, including: <ul style="list-style-type: none"> <li>○ types of support;</li> <li>○ base year;</li> <li>○ period for implementation;</li> <li>○ relevant amount of financial resources to be provided;</li> <li>○ delivery channels;</li> <li>○ areas and priorities of support;</li> <li>○ plans and policies;</li> <li>○ measures on incentivizing innovation, promoting international collaboration on R&amp;D, demonstration and deployment and facilitating the access to technologies and address barriers to their transfer to developing countries;</li> <li>○ programmes and projects to be conducted by public agencies;</li> <li>○ relevant methodologies and assumptions on estimating their support;</li> <li>○ how such support will assist developing country Parties to implement their NDCs and increase their access to climate related technologies.</li> </ul> </li> <li>• Other Parties are encouraged to provide or continue to provide such information voluntarily;</li> <li>• Developing countries parties: technology development and transfer support needed.</li> </ul>
Information on capacity building	<ul style="list-style-type: none"> <li>• Developed countries parties: provision of capacity-building support, including: <ul style="list-style-type: none"> <li>○ types of support;</li> <li>○ base year;</li> <li>○ period for implementation;</li> <li>○ relevant amount of financial resources to be provided;</li> <li>○ delivery channels;</li> <li>○ areas and priorities of support;</li> <li>○ policies, programmes and projects of capacity-building;</li> <li>○ relevant methodologies and assumptions on estimating support;</li> <li>○ how such support will assist developing countries to strengthen their capacities on combating climate change.</li> </ul> </li> <li>• Other Parties are encouraged to provide or continue to provide such information voluntarily;</li> <li>• Developing countries parties: capacity-building support needed.</li> </ul>
Information on support needs/received	<ul style="list-style-type: none"> <li>• Developing country Parties: costs and barriers on implementing NDCs;</li> <li>• Finance, technology and capacity-building support needs.</li> </ul>

### III. Accounting for Parties' NDCs

A wide range of strongly-held views on how to discuss the issues of scope of NDCs and differentiation were shared. While a number of Parties expressed the view that these issues should be discussed under accounting, a number of other Parties expressed the view that these issues should be discussed elsewhere under the process, and another number of Parties expressed the view that these issues were already treated within the overall architecture of the Paris Agreement.

#### **Box 6: Possible questions on how to approach the work on Accounting, Parties may wish to consider**

- What is the level of detail required for guidance for accounting for Parties' NDCs?
- Which elements of the guidance for accounting for Parties' NDCs needs to be decided by COP 24?
- Which elements of the guidance for accounting for Parties' NDCs can addressed under APA item 3 sub-item on ICTU, which elements could be addressed under Article 6 guidance and which elements could be addressed under the transparency framework?
- Is additional guidance required for the accounting of anthropogenic emissions and removals from LULUCF, forests and REDD+?

#### **A. Understanding of accounting**

##### *Option 1:*

- A procedural obligation as set out in Article 4.13 of the Paris Agreement;
- Being responsible for NDCs;
- Promote transparency to enhance the mutual trust among Parties;
- Demonstrating the achievement of the objectives;
- "Accounting for" is equivalent to accountability, and to the "information necessary to track progress made in implementing and achieving its nationally determined contribution under Article 4";
- Compare the intended value of the indicators in the target year reflecting NDCs, with the actual value in the year of tracking progress or target year;
- The process where information from national greenhouse gas inventories and other sources is used to track progress and compare outcomes against NDCs;
- A set of methodologies used to measure implementation of NDC including anthropogenic emissions/removal of GHG;
- A common tool for having NDC implementation progress being monitored, tracked, and aggregated;
- Assess what has been accomplished, after considering use of internationally transferred mitigation outcomes, emissions and removals from the land sector, and the avoidance of double counting;
- Specific methodologies and approaches are not common, "one size fits all" or mandatory for all.

##### *Option 2: no text*

#### **B. Objectives**

##### *Option 1:*

- Ensure that the principles contained in Article 4, paragraph 13, of the Paris Agreement are implemented in the process of reporting and tracking progress with implementing and achieving NDCs;
- Promote and ensure environmental integrity, transparency, accuracy, completeness, comparability and consistency, and to ensure the avoidance of double counting;
- Preserve the national determination of NDCs by respecting the accounting approaches embedded in their NDCs, which correspond to their highest possible ambition in the light of different capacities and national circumstances;
- Reflect equity and the principle of common but differentiated responsibilities and respective capabilities, in the light of different national circumstances, stated in Article 2.2 of the Paris Agreement, particularly in line with the diversity of NDCs;
- Promote mutual trust among Parties and to provide the public a clear, accurate and comprehensive explanation on what Parties are planning to do on climate change;
- Assist Parties in fulfilling existing obligations under the Paris Agreement Article 4;
- Provide clear methodological approaches to estimate data;
- Provide guidance and/or support on how to undertake a quantitative assessment on the achievement of its NDC;
- Link between the NDCs and the information provided under the Enhanced Transparency Framework;
- Allow Parties to demonstrate that their most recent emission levels are consistent with targets, in accordance with the parameters and indicators they have set out in their own NDCs;

- 526 - *Ensure no backtracking from existing requirements;*
- 527 - *Determining the aggregate impact of NDCs in relation to the long-term temperature goal under the Paris Agreement,*
- 528 *in the context of Article 4.1;*
- 529 - *Facilitate understanding of mitigation effects in the implementation and achievement of NDCs;*
- 530 - *Be a tool or reference document to assist Parties in preparing and communicating their NDCs in line with the Paris*
- 531 *Agreement and decision 1/CP.21;*
- 532 - *Ensure that developed country Parties are taking the lead that they have been mandated to take under Articles 4.4*
- 533 *and 9.3;*
- 534 - *The guidance to take into consideration that Parties will improve environmental integrity, transparency, accuracy,*
- 535 *completeness, comparability and consistency of their accounting over time;*
- 536 - *Ensure that NDCs must deliver real, permanent, additional and verified mitigation outcomes, avoid double counting of*
- 537 *effort, and achieve a net decrease and/or avoidance of greenhouse gas emissions.*

538 *Option 2: no text*

### **C. Capacity of developing countries**

- 539 - *Capacity must be addressed through strong and sustained capacity building support and frameworks for developing*
  - 540 *countries – not in the guidance, which should be common and applicable to all;*
  - 541 - *Recognize the special circumstances of LDCs and SIDS in terms of the accounting provisions applied, and that*
  - 542 *progressive improvement in accounting systems is dependent on support provided, in the scope and level of details*
  - 543 *related to application of the relevant guidance, with specific accounting approaches in developing country Parties’*
  - 544 *NDCs to be nationally-determined by the Parties concerned, in line with the general guidance referred to in Article*
  - 545 *4.13 of the Paris Agreement and paragraph 31 and 32 of decision 1/CP.21;*
  - 546 - *Incentivizing mechanisms to be established by the CMA to encourage and support developing country Parties to apply*
  - 547 *the guidance for accounting;*
  - 548 - *Guidance on accounting to accommodate different national capacities and national circumstances of Parties, and*
  - 549 *recognize different starting points;*
  - 550 - *The adoption of further requirements to developing countries is contingent upon the provision of new, additional and*
  - 551 *adequate resources to meet their agreed full costs, or a portion of those costs.*
- 552 • *In accordance with Article 13, paragraph 14 and Article 13, paragraph 15, support to be provided to assist*
  - 553 *developing country Parties in the accounting of their NDCs, including integrating and incorporating accounting*
  - 554 *elements in national MRV systems;*
  - 555 • *Flexibility to be provided to developing country Parties in the scope and level of details related to application of the*
  - 556 *relevant guidance;*
  - 557 • *Least developed countries and small island developing States may prepare and communicate strategies, plans and*
  - 558 *actions for low greenhouse gas emissions development reflecting their special circumstances (Article 4.6);*
  - 559 • *Continuous and adequate support to be provided to developing country Parties to increase their relevant capacities*
  - 560 *on implementing the guidance for accounting.*

### **D. Drawing from approaches under the Convention and the Kyoto Protocol<sup>7</sup>**

- 561 - *Approaches and institutional arrangements established under the Convention and Kyoto Protocol offer valuable*
- 562 *lessons and approaches for the development of an accounting system under the Paris Agreement;*
- 563 - *The guidance for accounting for mitigation targets in the NDCs could be on the basis of the experience from the*
- 564 *application of the accounting rules for quantified emission limitation or reduction commitments under the Kyoto*
- 565 *Protocol, bearing in mind the difference between single-year targets in the NDCs and multi-year targets under the*
- 566 *Kyoto Protocol;*
- 567 - *Use of GHG inventories for the accounting for their NDCs when NDCs are expressed in terms of GHG emissions;*
- 568 - *Guidance related to emissions and removals from LULUCF that refers to approaches under the Convention and its legal*
- 569 *instruments on which Parties could draw from;*
- 570 - *Outline of the existing methods and guidance under the Convention and IPCC with references to the appropriate*
- 571 *decisions and/or IPCC Publications;*

<sup>7</sup> More detailed views on which existing approaches under the Convention and its Kyoto Protocol could be drawn on is contained in Annex I.

- 572 • Describe how accounting approaches have been drawn from existing approaches under the Convention and its  
573 related legal instruments.

## E. Procedural elements

### 574 a. Channel

#### 575 *Option 1:*

- 576 • In the NDCs documents;  
577 • Report through the Enhanced Transparency Framework;  
578 • Report the relevant information related to paragraph 31 (a)-(d) of decision 1/CP.21 and ensure the  
579 methodological consistency in their reports on the implementation under the transparency framework;  
580 • PLACEHOLDER cross reference to guidance on Article 13 of the Paris Agreement.

#### 581 *Option 2: no text*

### 582 b. Timing/Application

- 583 • Accounting guidance to apply to the second and subsequent NDCs and Parties may elect to apply such guidance  
584 to their first nationally determined contribution;  
585 • The guidance on accounting to be applied to the NDC relevant from 2026;  
586 • Apply the guidance for accounting in their subsequent rounds of NDCs (from 2030 onwards). Parties may elect to  
587 apply the guidance for accounting in their NDCs up to 2030;  
588 • Apply the following guidance for accounting of NDCs for the first NDC on the basis that:  
589 ○ they voluntarily elect to apply the guidance for the first NDC; or  
590 ○ they wish to avail themselves of Article 6, paragraph 2 or Article 6, paragraph 4 of the Paris Agreement in  
591 the achievement of the first or subsequent NDC.

### 592 c. Revision

#### 593 *Option 1:*

- 594 • Review and, if necessary, revision of guidance at a future point following experience with implementation;  
595 • Subsequent updates to the guidance to address any outstanding gaps and/or make further incremental  
596 improvements, based on insights from collective review processes such as the 2018 Facilitative Dialogue and 2023  
597 global stocktake;  
598 • The CMA to define the year of the first review of the guidance, with a view to revising it on a regular basis.

#### 599 *Option 2: no text*

## F. Specific elements

### Section F1

The informal note by the co-facilitators issued at APA 1.4 (final version of 13 November 2017) on pages 80-180 as well as the submissions received by Parties<sup>8</sup> since APA 1.4 contain views from Parties on the substantive elements relating to the accounting for Parties' nationally determined contributions. We noted that through these inputs, Parties have proposed a variety of different approaches for structuring the substantial elements. The views submitted on pages 80, 87-91, 133-150 and in one submission<sup>9</sup>, proposed accounting elements on mitigation, be applicable to all Parties and/or depending on the type of mitigation target in the NDC. The views contained in pages 80-83 structure the accounting elements to take reference from Article 3 of the Paris Agreement, with differentiated guidance for developed and developing country Parties. The views contained in pages 150-172 and in one submission,<sup>10</sup> differentiate the applicability of the guidance on the basis of total GHG emissions, GDP numbers, and per capita cumulative historical

<sup>8</sup> Submission portal: <http://www4.unfccc.int/sites/SubmissionPortal/Pages/Home.aspx>

<sup>9</sup> Submission by Turkey received on 3 May 2018: <https://unfccc.int/process/bodies/subsidiary-bodies/ad-hoc-working-group-on-the-paris-agreement-apa/information-on-apa-agenda-item-3/submissions-received-on-apa-item-3>

<sup>10</sup> Submission by India received on 3 May 2018: <https://unfccc.int/process/bodies/subsidiary-bodies/ad-hoc-working-group-on-the-paris-agreement-apa/information-on-apa-agenda-item-3/submissions-received-on-apa-item-3>



emissions, respectively. The views contained on pages 83-87, 91-133, 148, 172-180 as well as in one submission<sup>11</sup> provide accounting elements on mitigation and additional elements.

The following section F2 is our attempt to streamline the pages 80-180 containing Parties views on substantive elements relating to “accounting for Parties’ nationally determined contributions” in a way that might help Parties to navigate the relevant ideas and elements contained in the inputs from Parties. Section F2 is not intended to prejudice or prejudice Parties positions and is also not intended to prejudice the varying views on the structure of the guidance.

This “navigation tool” does not replace the APA 1-4 agenda item 3 informal note by the co-facilitators until Parties decide otherwise. To provide Parties with the assurance that their proposals in relation to “accounting for Parties’ nationally determined contributions” are preserved and kept on the table, the informal note by the co-facilitators issued at APA 1-4 (Final version of 13 November 2017) is virtually annexed to this document, available at: [https://unfccc.int/files/meetings/bonn\\_nov\\_2017/in-session/application/pdf/apa\\_3\\_informal\\_note\\_final\\_version.pdf](https://unfccc.int/files/meetings/bonn_nov_2017/in-session/application/pdf/apa_3_informal_note_final_version.pdf).

## Section F2

This document is not intended to prejudice or prejudice any next steps relating to the preparation of a draft negotiating text or the position of Parties on further guidance and its contents. It is also not intended to replace the APA 1-4 agenda item 3 informal note by the co-facilitators but to serve as a facilitative tool to help Parties “navigate” 180-pages of the APA 1-4 agenda item 3 informal note. It does not represent agreed views, ideas or text and nor does it attempt to draw any conclusions on possible areas of convergence or divergence. The order of the elements and related proposals contained in this note does not correspond to any hierarchy or sequencing according to convergence or importance. The co-facilitators also recognize that nothing is finalized until the guidance on NDCs is finalized.

With regard to accounting for Parties’ nationally determined contributions, as specified in paragraph 31, various Parties have recalled that Article 4, paragraph 13 of the Paris Agreement, and paragraph 31 of decision 1/CP.21 state the following, respectively:

Article 4, paragraph 13 of the Paris Agreement: *“Parties shall account for their nationally determined contributions. In accounting for anthropogenic emissions and removals corresponding to their nationally determined contributions, Parties shall promote environmental integrity, transparency, accuracy, completeness, comparability and consistency, and ensure the avoidance of double counting, in accordance with guidance adopted by the Conference of the Parties serving as the meeting of the Parties to this Agreement.”*

Paragraph 31 of decision 1/CP.21: *“Requests the Ad Hoc Working Group on the Paris Agreement to elaborate, drawing from approaches established under the Convention and its related legal instruments as appropriate, guidance for accounting for Parties’ nationally determined contributions, as referred to in Article 4, paragraph 13, of the Agreement, for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its first session, which ensures that:*

- a) Parties account for anthropogenic emissions and removals in accordance with methodologies and common metrics assessed by the Intergovernmental Panel on Climate Change and adopted by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;*
- b) Parties ensure methodological consistency, including on baselines, between the communication and implementation of nationally determined contributions;*
- c) Parties strive to include all categories of anthropogenic emissions or removals in their nationally determined contributions and, once a source, sink or activity is included, continue to include it;*
- d) Parties shall provide an explanation of why any categories of anthropogenic emissions or removals are excluded.”*

There is no agreement whether the following elements would apply to all or to a group of Parties.

Various views were expressed on whether there should be different applicability for the following elements, such as one or more of the following:

- All Parties to apply the guidance on all the following elements, or each Party to apply the guidance on all the following elements depending on the contents of its NDC;
- Developed country Parties to apply the guidance on all the following elements and developing country Parties to apply the guidance at their discretion/apply the guidance on the following elements over time.

<sup>11</sup> Submission by African Group of Negotiators (AGN) received on 9 April 2018:

<https://unfccc.int/process/bodies/subsidiary-bodies/ad-hoc-working-group-on-the-paris-agreement-apa/information-on-apa-agenda-item-3/submissions-received-on-apa-item-3>

- Those parties with GDP/emissions/per capita cumulative historical emissions above a particular level to apply the guidance on all the following elements and other Parties to apply the guidance at their discretion/apply the guidance on the following elements over time.

Some parties are of the view that no guidance on accounting is necessary, as this should be addressed under APA 5 on transparency.

#### *Streamlined specific elements*

#### **Parties account for anthropogenic emissions and removals in accordance with methodologies and common metrics assessed by the IPCC and adopted by the CMA (decision 1/CP.21, para. 31(a)):**

- Use GHG inventories under Article 13(7)(b) for the accounting for NDCs when NDCs are expressed in terms of GHG emissions;
- Use the most appropriate and scientifically accurate methodological approaches and metrics for estimating and accounting for anthropogenic GHG emissions and removals assessed by the IPCC;
- Strive to use of latest IPCC guidance for GHG estimation as adopted by the CMA;
- Use same methodologies and metrics throughout the timeframe of the NDC;
- Account for GHG emissions and removals by sinks using the 2006 IPCC guidelines, and any subsequent guidance adopted by the CMA;
- Take existing guidance into account if no CMA guidance exists;
- Use methodologies and metrics defined by the reporting guideline under the transparency framework;
- Follow the IPCC methodology by choosing the most appropriate IPCC guidelines in light of different capacities and circumstances;
- Use own methodologies and approaches to explain other aspects of the targets in NDCs, as appropriate; while making best endeavour to ensure methodological consistency between communication and implementation;
- Methodologies pursuant to article 4, paragraph 7 of the Paris Agreement;
- Methodologies related to the treatment of harvested wood products, natural disturbance, legacy effects, other.
- Express GHG mitigation contributions in terms of tCO<sub>2e</sub>;
- Apply IPCC metrics:
  - most recent;
  - as adopted by CMA;
  - 100-year Global Warming Potential (GWP);
  - and the Global Temperature Potential (GTP);
  - as reported in GHG inventories for the assessment of individual and aggregate progress.

#### **Box 7: Examples on how the substantive elements of this section can be further streamlined/structured**

<b>Parties account for anthropogenic emissions and removals in accordance with methodologies and common metrics assessed by the IPCC and adopted by the CMA (decision 1/CP.21, para. 31(a))</b>	
<b>Topic</b>	<b>Streamlined elements</b>
Methodologies by the IPCC	<ul style="list-style-type: none"> <li>• Use the 2006 IPCC guidelines for GHG estimation as adopted by the CMA;</li> <li>• Use latest IPCC guidance for GHG estimation as adopted by the CMA;</li> <li>• Use the most appropriate and scientifically accurate methodological approaches for estimating and accounting for anthropogenic GHG emissions and removals;</li> <li>• Follow the IPCC methodology for GHG estimation, choosing the most appropriate IPCC guidelines in light of different capacities and circumstances;</li> <li>• Use existing guidance, if no CMA guidance exists;</li> <li>• Use GHG inventories, under Article 13(7)(b), when NDCs are expressed in terms of GHG emissions.</li> </ul>
Common metrics by the IPCC	<ul style="list-style-type: none"> <li>• Apply most recent;</li> <li>• Use the most appropriate and scientifically accurate approaches;</li> <li>• Apply 100-year Global Warming Potential (GWP);</li> <li>• Apply global Temperature Potential (GTP);</li> <li>• As in GHG inventories.</li> </ul>
Other related	<ul style="list-style-type: none"> <li>• Use methodologies for GHG estimation and metrics defined by the reporting guideline under the transparency framework;</li> <li>• Use own methodologies and approaches to explain other aspects of the targets in NDCs;</li> </ul>

	<ul style="list-style-type: none"> <li>• Use methodologies pursuant to article 4, paragraph 7 of the Paris Agreement;</li> <li>• Take existing guidance into account if no CMA guidance exists;</li> <li>• Use methodologies related to the treatment of harvested wood products, natural disturbance, legacy effects, other.</li> </ul>
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**Parties ensure methodological consistency, including on baselines, between the communication and implementation of nationally determined contributions (decision 1/CP.21, para. 31(b))**

- Accounting guidance to elaborate what methodological consistency means and how it can be ensured based on existing IPCC guidance and answer questions such as how consistency can be applied to specific methodologies, and what 'communication' and 'implementation' means in paragraph 31;
- Accounting guidance to establish procedures that Parties should follow in case of methodological inconsistencies;
- Accounting guidance to include procedural guidance on updating/changing reference levels and/or baselines and on ensuring methodological consistency;
- Accounting guidance to establish procedures for how technical corrections to baselines/reference levels(s) to ensure consistency to be communicated and implemented.

- Ensure methodological consistency between:
  - The methodological approaches and definitions used, including base years, baselines, reference levels, and assumptions, to set the mitigation goal under its NDC (and also baselines/reference point) and the methodological approach used to measure and track progress in the implementation of NDC;
  - The methodological approach for accounting communicated consistent with decision XXX (ICTU), and the approach used to account for the implementation and achievement of the NDC submitted in accordance with Article 4 of the Paris Agreement;
  - The GHG estimations used as a basis for accounting, and GHG inventory;
  - The methodological approaches and data used for accounting, National GHG inventories and those used to calculate basepoint/baselines or reference point/period and set mitigation goals;
  - Accounting approaches, choice of assumptions and definitions used between communication of NDC and implementation, and throughout implementation period;
  - For the construction of baselines and reference levels, include information that allows for reconstruction, and include which and how historical and projected data have been taken into account.
- Ensure time series consistency;
- Use comparable methodologies and approaches to explain other aspects of mitigation component of NDCs, including domestic emissions, policies and utilization of international transferred mitigation outcomes;
- Updated information:
  - Periodically update the base year indicators, baselines, reference levels and/or projections as appropriate, taking into account new information, trends and incorporating any changes to coverage and methodologies;
  - Describe any updates to data and parameters, including baselines used during an implementation period [, as applicable to the indicator(s) the Party has decided to track progress;][, through their biennial reports under the transparency framework];
  - Report any updates at the earliest opportunity;
  - Describe any changes in approaches and assumptions, as relevant, between implementation periods, in a way that ensures comparability and the fulfilment of the other TACCC-principles [, through their biennial reports under the transparency framework];
  - Describe any updates to data and parameters, including baselines used during an implementation period;
  - Describe any changes in approaches and assumptions, as relevant, between implementation periods, in a way that ensures comparability and the fulfilment of the other TACCC-principles;
  - Have a process for updating/ recalculating of data and initial benchmark/ parameters.
- Base year, baseline, reference level:
  - Prepare and apply reference level(s)/baseline(s) that are transparent, real, verifiable and robust, including where applicable forest reference (emission) levels;
  - To the extent that a projected baseline is used, neither over nor underestimate the results that would have been expected in the absence of additional measures;
  - Provide a general description of how the base year indicator(s), baseline(s), reference level(s) and projection(s) was constructed, including:
    - data sets, approaches, assumption, models and relevant estimation methodologies;
    - policies and measures that have been included and their implementation timeframes, and for projections, reasons for exclusion of relevant policies and measures;

- contributions from sub-national or sectoral baselines, reference levels and projections as relevant;
  - reference points or baselines constructed from historical averages, extrapolations, or modelled projections, as appropriate, including “off-the-shelf” and country-specific methodologies;
  - demonstrate that parameters and values used are consistent with historical and publicly available data;
  - use of accurate and verifiable data;
  - the indicator used to calculate GHG emissions intensity, including GDP and population, and its value in the base year and the target year.
- Maintain baselines or basepoints unchanged after communication, with the exception of technical corrections;
  - Maintain method of comparison throughout implementation period;
  - Projected baselines to be subject to a technical expert review upon communication, to assess consistency.

**Box 8: Examples on how the substantive elements of this section can be further streamlined/structured**

<b>Parties ensure methodological consistency, including on baselines, between the communication and implementation of nationally determined contributions (decision 1/CP.21, para. 31(b))</b>	
<b>Topic</b>	<b>Streamlined elements</b>
Ensuring methodological consistency between communication and implementation of NDCs	<ul style="list-style-type: none"> <li>• Parties ensure consistency by using methodological approaches, data used and definitions used, including base years, baselines, reference levels, and assumptions:               <ul style="list-style-type: none"> <li>○ Consistency between NDCs and tracking progress;</li> <li>○ Consistency between communication of NDCs and implementation through communication period;</li> <li>○ Consistency between calculating basepoint/baselines or reference point/period and set mitigation goals;</li> <li>○ Consistent with GHG inventories.</li> </ul> </li> <li>• Procedures that Parties should follow in case of methodological inconsistencies</li> </ul>
Base year, baseline, reference level	<ul style="list-style-type: none"> <li>• Prepare and apply reference level(s)/baseline(s) that are transparent, real, verifiable and robust;</li> <li>• Projected baseline: neither over nor underestimate the results that would have been expected in the absence of additional measures;</li> <li>• Projected baselines to be subject to a technical expert review upon communication, to assess consistency;</li> <li>• Maintain baselines or basepoints unchanged [after communication, with the exception of technical corrections] [throughout implementation period];</li> <li>• Provide a general description of how the base year indicator(s), baseline(s), reference level(s) and projection(s) was constructed, including:               <ul style="list-style-type: none"> <li>○ data sets, approaches, assumption, models and relevant estimation methodologies;</li> <li>○ policies and measures that have been included and their implementation timeframes. For projections, reasons for exclusion of relevant policies and measures;</li> <li>○ contributions from sub-national or sectoral baselines, reference levels and projections as relevant;</li> <li>○ reference points or baselines constructed from historical averages, extrapolations, or modelled projections, as appropriate, including “off-the-shelf” and country-specific methodologies;</li> <li>○ information demonstrating that parameters and values used are consistent with historical and publicly available data;</li> <li>○ use of accurate and verifiable data;</li> <li>○ indicator(s) used to calculate GHG emissions intensity, including GDP and population, and its value in the base year and the target year.</li> </ul> </li> <li>• Procedures for how technical corrections is applied to baselines/reference levels(s) to ensure consistency to be communicated and implemented</li> </ul>
Updating information	<ul style="list-style-type: none"> <li>• Periodically update the base year indicators, baselines, reference levels and/or projections as appropriate;</li> <li>• Have a process for updating/ recalculating of data and initial benchmark/ parameters</li> </ul>

	<ul style="list-style-type: none"> <li>Describe [through their biennial reports under the transparency framework] [at the earliest opportunity]: <ul style="list-style-type: none"> <li>any updates during an implementation period [, as applicable to the indicator(s) the Party has decided to track progress];</li> <li>any changes in approaches and assumptions, as relevant, between implementation periods, in a way that ensures comparability and the fulfilment of the other TACCC-principles.</li> </ul> </li> </ul>
Other related	<ul style="list-style-type: none"> <li>Maintain baselines/points unchanged after communication;</li> <li>Ensure time series consistency;</li> <li>Use comparable methodologies and approaches to explain other aspects of mitigation component of NDCs, including domestic emissions, policies and utilization of international transferred mitigation outcomes.</li> </ul>

**Parties strive to include all categories of anthropogenic emissions or removals in their nationally determined contributions and, once a source, sink or activity is included, continue to include it (decision 1/CP.21, para. 31(c) and (d)).**

- Strive to account for all categories of anthropogenic emissions or removals included in their NDC submitted in accordance with Article 4 of the Paris Agreement; [across the entire NDCs period][, preferably as an economy-wide GHG target (Article 4.4 of the Paris Agreement)];
- Provide during the implementation period a description of sectors, gases, categories, pools covered and definitions;
- Prioritize their most significant and/or fastest growing emissions for inclusion, while also taking care not to over- or underestimate their real emissions;
- For GHG targets, provide at earliest opportunity during implementation period:
  - Description of sectors, gases, categories, pools covered; where they differ from inventory coverage and definitions;
  - Other definitions used as relevant (e.g. for forests).
- Once a source or sink is included continue to include it, provided that it still occurs;
- Define those categories and explain which methods they intend to apply for their estimation for categories that are not part of the IPCC guidelines;
- Describe any changes in coverage between implementation periods;
- Describe any changes in definitions between implementation periods;
- Information excluded categories:
  - Indicate the sources and sinks that are not considered in the NDC and explain the reasons for such exclusions;
  - Provide a timeline or improvement plan for inclusion of omitted categories in future.

**Box 9: Examples on how the substantive elements of this section can be further streamlined/structured**

<b>Parties strive to include all categories of anthropogenic emissions or removals in their nationally determined contributions and, once a source, sink or activity is included, continue to include it (decision 1/CP.21, para. 31(c) and (d)).</b>	
<b>Topic</b>	<b>Streamlined elements</b>
Categories included in NDCs	<ul style="list-style-type: none"> <li>Strive to include all categories of anthropogenic emissions or removals in their nationally determined contributions in accordance with Article 4 of the Paris Agreement;</li> <li>Strive to include all categories of anthropogenic emissions or removals in their nationally determined contributions, preferably as an economy-wide GHG target (Article 4.4 of the Paris Agreement);</li> <li>Once a source or sink is included continue to include it, provided that it still occurs;</li> <li>Prioritize including most significant and/or fastest growing emissions for inclusion, while also taking care not to over- or underestimate their real emissions.</li> </ul>
Explanation of categories excluded	<ul style="list-style-type: none"> <li>Indicate the sources and sinks that are not considered in the NDC and explain the reasons;</li> <li>Provide a timeline or improvement plan for inclusion of omitted categories.</li> </ul>



Additional Information	<ul style="list-style-type: none"> <li>• Describe and define sectors, gases, categories, pools covered;</li> <li>• Describe differences compared to inventory coverage;</li> <li>• Describe any changes in coverage between implementation periods;</li> <li>• Describe any changes in definitions between implementation periods;</li> <li>• Explain which methods they intend to apply for their estimation for categories that are not part of the IPCC guidelines;</li> <li>• Other definitions used as relevant (e.g. for forests).</li> </ul>
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## Article 6

- The work to be informed by the discussion on ITMOs under Article 6 of the Paris Agreement;
- Ensure coherence and relevant cross-references with the texts being prepared under Article 6;
- The Article 6 guidance to define corresponding adjustments that take into account the diversity, such as type and target year/period of NDCs;
- The Guidance to ensure that the mechanisms are additional to what would have occurred in occurred in their absence;
- A robust accounting framework with clear provisions on how to avoid double counting is a pre-requisite for use of internationally transferred mitigation outcomes or use of market-based units toward NDCs under Article 6;
- Guidance to include reporting on how parties will avoid environmental impacts, contribute to sustainable development and avoid adverse consequences to sustainable development and demonstrate additionality of Article 6 mechanisms;
- Guidance to cover avoidance of double counting in relation to use of Article 6 outcomes toward NDCs;
- Avoid double counting when using ITMOs to implement the mitigation component of NDCs, with further guidance to be elaborated under the SBSTA agenda Item "matters related to Article 6 of the Paris Agreement";
- Internationally-agreed guidance must be in place before mitigation outcomes are transferred between Parties for use toward NDCs, and the proper application of this guidance must be a condition precedent for the recognition of transferred outcomes;
- Ensure that any emission reduction, removal, avoided emission, or mitigation outcome that is used by a Party toward its NDC cannot be re-used by that Party or be used by another Party toward its own NDC.

- Parties who voluntarily agree to share or transfer ITMOs under Article 6 are both responsible for demonstrating the environmental integrity of those ITMOs when accounting for them toward their NDC;
- In accounting for credits/units used for achieving NDCs, follow the guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement, and the rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Agreement;
- When using mechanisms under Article 6, report on their national governance system, including their national transaction log and how the use of any mechanism under Article 6 of the Paris Agreement is consistent with the international accounting framework established by SBSTA through its work on developing rules, modalities and procedures for Article 6;
- For NDCs achieved in part through the use of internationally transferred mitigation outcomes, or in a country which has transferred internationally transferred mitigation outcomes for use by another stakeholder or another Party, accounting including the avoidance of double counting in accordance with guidance from Article 6;
- Parties to use the accounting balance for their use of voluntary cooperation under Article 6 and any additions/subtractions;
- Placeholder, pending further developments in relation to Article 6.

## Box 10: Examples on how the substantive elements of this section can be further streamlined/structured

Article 6	
Topic	Streamlined elements
Reference to the work of the SBSTA on developing: guidance referred to in Article 6, paragraph 2; rules, modalities and procedures for the mechanism	<ul style="list-style-type: none"> <li>• Parties using internationally transferred mitigation outcomes towards their NDC to ensure use consistent with the guidance on Article 6, paragraph 2;</li> <li>• Parties using emission reductions from the mechanism established by Article 6, paragraph 4 towards their NDC to ensure use is in accordance with the rules, modalities and procedures for the mechanism;</li> <li>• Placeholder, pending further developments in relation to Article 6.</li> </ul>

established by Article 6, paragraph 4	
Use of ITMOs, avoiding double counting and environmental integrity	<ul style="list-style-type: none"> <li>• Ensure avoidance of double counting in relation to use of Article 6 internationally transferred mitigation outcomes toward NDCs;</li> <li>• Ensure that internationally transferred mitigation outcomes can be used towards an NDC only once;</li> <li>• Parties who voluntarily agree to share or transfer ITMOs under Article 6 are both responsible for demonstrating the environmental integrity of those ITMOs when accounting for them toward their NDC</li> </ul>
Reporting	<ul style="list-style-type: none"> <li>• When using mechanisms under Article 6, report: <ul style="list-style-type: none"> <li>○ on the national governance system, including their national transaction log;</li> <li>○ how the use of any mechanism under Article 6 of the Paris Agreement is consistent with the international accounting framework under Article 6</li> <li>○ how Parties will avoid environmental impacts, contribute to sustainable development and avoid adverse consequences to sustainable development and demonstrate additionality of Article 6 mechanisms</li> </ul> </li> </ul>
Other related	<ul style="list-style-type: none"> <li>• Parties to use the accounting balance for their use of voluntary cooperation under Article 6 and any additions/subtractions;</li> <li>• Ensure that the mechanisms are additional to what would have occurred in their absence;</li> <li>• Guidance to include reporting on how Parties will avoid environmental impacts, contribute to sustainable development and avoid adverse consequences to sustainable development</li> <li>• Guidance for cooperative approaches must be adopted before mitigation outcomes are transferred for use toward NDCs, and the proper application of the guidance is a condition precedent for the recognition for use of internationally transferred mitigation outcomes towards an NDC</li> </ul>

#### LULUCF, forests and REDD+

- *Guidance for accounting for emissions and removals from the land sector to be covered by accounting guidance in a general manner;*
- *Accounting guidance to accommodate REDD+ mitigation;*
- *Accounting guidance to cover natural disturbance and other land related topics not sufficiently covered by other guidance;*
- *Accounting guidance not to lead to any requirements on mitigation in agriculture.*
- *The contribution from forest and land use to represent real, permanent and verifiable emission reductions that would not occur irrespective of the Party's actions;*

- Parties to be encouraged to include the land sector in their NDCs, and those that include it to continue to do so in the future;
- Account for anthropogenic emissions and removals in the land sector consistent with paragraph 31 of decision 1/CP.21, and while taking into account existing methods and guidance as agreed under the Convention;
- Specify the approaches for each land categories/activities/elements, if necessary;
- Account for emissions and removals from land sector based different approaches, including:
  - Incorporate the emissions and removals from land sector with estimation of emissions from other sectors;
  - Separate the emissions and removals from estimation of emissions from other sectors.
Parties to clarify which approach is applied.
- Ensure that the estimation of sources and sinks in land sector, as included in the NDCs and considering mitigation goals, are consistent with National GHG Inventories and address some specific issues, inter alia:
  - Natural disturbances in unmanaged lands, considering that natural disturbances in managed lands to be included in National GHG Inventories;
  - Consistent application of the IPCC guidelines across countries for estimating CO<sub>2</sub> emissions from harvested wood products;
  - Treatment of lagged emissions to avoid committed approaches, in line with the accuracy required for the National GHG Inventories;
  - Use of Managed Land Proxy.

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- When accounting for Harvested Wood Products use a [production][common] approach, consistent with IPCC guidance;
- No text

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**Box 11: Examples on how the substantive elements of this section can be further streamlined/structured**

<b>LULUCF, forests and REDD+</b>	
<b>Topic</b>	<b>Streamlined elements</b>
General principles	<ul style="list-style-type: none"> <li>• Guidance for accounting for emissions and removals from the land sector to be covered by accounting guidance in a general manner;</li> <li>• Accounting guidance to accommodate REDD+ mitigation;</li> <li>• Accounting guidance not to lead to any requirements on mitigation in agriculture;</li> <li>• The contribution from forest and land use to represent real, permanent and verifiable emission reductions that would not occur irrespective of the Party's actions;</li> <li>• Parties to be encouraged to include the land sector in their NDCs, and those that include it to continue to do so in the future.</li> </ul>
Specific guidance	<ul style="list-style-type: none"> <li>• Account for anthropogenic emissions and removals in the land sector consistent with paragraph 31 of decision 1/CP.21, and while taking into account existing methods and guidance as agreed under the Convention and specify the approaches for each land categories/activities/elements, if necessary;</li> <li>• Account for emissions and removals from land sector based different approaches, including: <ul style="list-style-type: none"> <li>○ incorporate the emissions and removals from land sector with estimation of emissions from other sectors;</li> <li>○ separate the emissions and removals from estimation of emissions from other sectors. Parties to clarify which approach is applied.</li> </ul> </li> <li>• Ensure that the estimation of sources and sinks in land sector, as included in the NDCs and considering mitigation goals, are consistent with National GHG Inventories and address some specific issues not sufficiently covered by other guidance, inter alia: <ul style="list-style-type: none"> <li>○ specify the approaches for each land categories/activities/elements, if necessary;</li> <li>○ natural disturbances in unmanaged lands, considering that natural disturbances in managed lands to be included in National GHG Inventories;</li> <li>○ consistent application of the IPCC guidelines across countries for estimating CO2 emissions from harvested wood products;</li> <li>○ Treatment of lagged emissions to avoid committed approaches, in line with the accuracy required for the National GHG Inventories;</li> <li>○ Use of Managed Land Proxy.</li> <li>○ When accounting for Harvested Wood Products use a [production][common] approach, consistent with IPCC guidance.</li> </ul> </li> </ul>
No text	



Various views were expressed by Parties on whether the following elements should be included or not. These views include:

- These elements should not be contained in the guidance; or
- These elements should be contained in the guidance and applicable to different types of mitigation targets.

#### Streamlined specific elements

#### **Tracking progress**

- *Accounting guidance to include methodological approaches to develop appropriate indicators to understand progress on implementation of policies and actions that have the most significant impact on the NDC emission levels;*
- *Accounting guidance to provide support on how a Party could undertake a quantitative assessment on the achievement of its NDC (at the end of the implementation period).*
- Measure and track progress in the implementation and achievement of mitigation goals through the comparison of actual emissions and removals and/or indicators ex-post estimated against a baseline, reference point/period or expected emission level in the target year/period (according to the type of mitigation goal);
- Describe at the earliest opportunity, how they will track progress against their base year indicator(s), baseline(s), reference level(s) and/or projection(s);
- Use an accounting balance to track progress with quantified NDCs; an accounting balance is a structured summary of all relevant quantified components that were determined as being part of the NDC, combining the information from GHG inventories, accounting of LULUCF activities, and information from voluntary cooperation under Article 6 in a transparent manner;
- Identify the quantified value including emissions or emissions intensity in the base year and/or the other reference point and the accounting approaches, and provide that information is in accordance with the ICTU guidance;
- Assess the achievement of NDCs, and provide the information on the assessment and how they assess it in accordance with the reporting guideline under the transparency framework, after the end of the timeframe or the implementation period;
- Track progress in implementation and assess achievement of their NDCs including by:
  - Contribution expressed in absolute emissions:
    - Parties compare intended net emissions in the target year reflecting their NDCs, with actual net emissions in the year of tracking progress or target year based on the same assumptions and methodological approaches they used for preparing their NDCs;
    - Parties can take into account ITMOs in accordance with section II of this guidance.
  - Contribution expressed in emission intensity:
    - Parties compare intended net emissions intensity in the target year reflecting their NDCs, with actual net emissions intensity in the year of tracking progress or target year based on the same assumptions and methodological approaches they used for preparing their NDCs;
    - Parties can take into account ITMOs in accordance with section II of this guidance.
  - Non-GHG contribution implementation of policies and measures:
    - based on the indicators identified to assess the progress and achievement of the targets by Parties, Parties compare the intended value of the indicators in the target year reflecting their NDCs, with the actual value in the year of tracking progress or target year.
  - Non-GHG contributions including implementation of policies and measures:
    - Parties to explain how to track the progress in implementation of the contributions, including, if applicable, identifying the quantifiable indicators.
- Reports on progress will contain three streams:
  - The objective stream estimates, calculates and updates the indicators that the Party chooses to define as the achievement of its NDC;
  - The results stream shows changes in net emissions and removals over time, including net transfers of ITMOs;
  - The achievement stream compares the results against the objective to track progress and determine achievement of NDC.
- Reports on progress to be published in three stages:
  - The commencement report sets out the Party's accounting approach and compares its first-year result to its estimated objective, in order to establish a "starting point";
  - Update reports compare the most recent result available to a revised estimate of the objective, in order to track progress;
  - The final report compares the final results to the final objective, in order to demonstrate achievement of the NDC.

- 834 **Harmonization of accounting rules with those developed by ICAO and IMO**
- 835 - *The guidance to contain clear provisions on how to avoid double-counting, for example to prevent potential double-*
- 836 *claiming under the UNFCCC, ICAO, IMOs;*
- 837 - *The guidance to harmonize accounting rules with those developed by ICAO and IMO.*
- 838 • Ensure transparency, clarity and understanding of what is reported by IMO and ICAO;
- 839 • No text.
- 840 **Accounting for different or different types of mitigation targets of NDCs**
- 841 - *Some provisions of the accounting guidance will be relevant to all NDCs, whereas others will be relevant only in certain*
- 842 *circumstances based on the components determined as part of the NDCs;*
- 843 - *Accounting guidance to include additional guidance for Parties with mitigation targets that are based on strategies,*
- 844 *plans and actions for low GHG emission development should be provided for the estimation of GHG impacts of policies*
- 845 *or actions implemented;*
- 846 - *Additional guidance for Parties with mitigation targets that are based on strategies, plans and actions for low GHG*
- 847 *emission development (or adaptation actions that could take the form of mitigation benefits) should be provided for*
- 848 *the design of tracking indicators (i.e.: increase of renewable energies installed capacity (GW)) and the estimation of*
- 849 *GHG impacts of policies or actions implemented.*
- 850 • For NDCs submitted in accordance with Article 4 of the Paris Agreement that include mitigation co-
- 851 benefits resulting from Parties' adaptation actions and/or economic diversification plans, targets
- 852 related to the implementation of specific policies and measures, or other targets not quantified in
- 853 terms of greenhouse gasses, provide an estimation of the greenhouse gas impacts associated with the
- 854 implementation and achievement, if applicable, of the target;
- 855 • PLACEHOLDER specific information for different types of NDCs.

856 **Box 12: Examples on how the substantive elements of this section can be further streamlined/structured**

Topic	Streamlined elements
Tracking progress	<ul style="list-style-type: none"> <li>Describe how to track progress against base year indicator(s), baseline(s), reference level(s) and/or projection(s);</li> <li>Comparing actual emissions and removals and/or indicators ex-post estimated against a baseline, reference point/period or expected emission level in the target year/period (according to the type of mitigation goal);</li> <li>Use an accounting balance to track progress with quantified NDCs;</li> <li>Assess the achievement of NDCs in accordance with the reporting guideline under the transparency framework, after the end of the timeframe or the implementation period.</li> </ul>
Tracking progress – reports on progress	<p>Reports on progress will contain three streams:</p> <ul style="list-style-type: none"> <li>The objective stream: estimates calculating and updating the indicators;</li> <li>The results stream: showing changes in net emissions and removals over time;</li> <li>The achievement stream: comparing results against objective.</li> </ul> <p>Reports on progress to be published in three stages:</p> <ul style="list-style-type: none"> <li>The commencement report;</li> <li>Update reports: comparing most recent result to a revised estimate of the objective;</li> <li>The final report: comparing the final results to the final objective.</li> </ul>
Tracking progress – per types of NDCs	<p>Contribution expressed in absolute emissions:</p> <ul style="list-style-type: none"> <li>Parties compare intended net emissions in the target year reflecting their NDCs, with actual net emissions in the year of tracking progress or target year based on the same assumptions and methodological approaches they used for preparing their NDCs;</li> <li>Parties can take into account ITMOs.</li> </ul> <p>Contribution expressed in emission intensity:</p> <ul style="list-style-type: none"> <li>Parties compare intended net emissions intensity in the target year reflecting their NDCs, with actual net emissions intensity in the year of tracking progress or target year based on the same assumptions and methodological approaches they used for preparing their NDCs;</li> <li>Parties can take into account ITMOs.</li> </ul> <p>Non-GHG contribution implementation of policies and measures:</p>

	<ul style="list-style-type: none"> <li>based on the indicators identified to assess the progress and achievement of the targets by Parties, Parties compare the intended value of the indicators in the target year reflecting their NDCs, with the actual value in the year of tracking progress or target year.</li> </ul> <p>Non-GHG contributions including implementation of policies and measures:</p> <ul style="list-style-type: none"> <li>Parties to explain how to track the progress in implementation of the contributions, including, if applicable, identifying the quantifiable indicators.</li> </ul>
ICAO, IMO and UNFCCC accounting rules	<p>Guidance to:</p> <ul style="list-style-type: none"> <li>avoid double-counting, for example to prevent potential double-claiming under the UNFCCC, ICAO, IMOs;</li> <li>the Guidance to harmonize accounting rules with those developed by ICAO and IMO</li> <li>Ensure transparency, clarity and understanding of what is reported by IMO and ICAO.</li> <li>No text.</li> </ul>
Accounting for different or different types of mitigation targets of NDCs	<p>Additional guidance for:</p> <ul style="list-style-type: none"> <li>Parties with mitigation targets that are based on strategies, plans and actions for low GHG emission development should be provided for the design of tracking indicators and the estimation of GHG impacts of policies or actions implemented;</li> <li>for NDCs submitted in accordance with Article 4 of the Paris Agreement that include mitigation co-benefits resulting from Parties' adaptation actions and/or economic diversification plans, targets related to the implementation of specific policies and measures, or other targets not quantified in terms of greenhouse gasses, provide an estimation of the greenhouse gas impacts associated with the implementation and achievement, if applicable, of the target;</li> </ul> <p>Placeholder specific information for different types of NDCs.</p>

Various views were expressed by Parties on whether the following elements should or should not be included in the guidance, or whether they are in or out of the mandate of APA 3. These views include:

- These elements are outside the mandate of this agenda item and hence there should be no text; or
- These elements are in the mandate of this agenda item and hence should be included in the guidance.

Many Parties expressed the view that capacity building should be provided for the implementation of this guidance and for improvement over time.

Various views were also expressed by Parties on whether developed country Parties should account for their NDCs on financial support, technology development and transfer and capacity-building.

#### *Streamlined specific elements*

#### **Accounting for adaptation**

- *Accounting for adaptation component of NDCs could be informed, if needed, by the discussions under APA Agenda Item 4 and the Adaptation Committee, the outcomes of which may form part of guidance for accounting as appropriate.*

- Account for relevant adaptation targets in their NDCs, as appropriate;
- Placeholder for outcome under agenda item 4.

#### **Accounting for Support**

- Developed country Parties to account for their contributions on provision of support in accordance with Articles 4.5, 4.13, 9.7, 10 and 11 and paragraph 57 of decision 1/CP.21;
- Developed countries to account for their NDCs on financial support in accordance with the modality to be developed referred to in paragraph 57 of decision 1/CP.21, in order to ensure the requirement of “new and additional” and avoid double counting on financial support;
- Developed countries to account for their NDCs on technology development and transfer and capacity-building, with a view to clarifying the definition and scope of technology development and transfer and capacity-building support, developing the appropriate methodologies to count and calculate the scale and possible effects of such support and avoiding the double counting;
- Developing countries to be encouraged to use clear, concise and transparent methodologies or approaches to explain the costs, barriers and support needed related to their NDCs.

#### **Box 13: Examples on how the substantive elements of this section can be further streamlined/structured**

Topic	Streamlined elements
Accounting for adaptation	<ul style="list-style-type: none"> <li>• Account for relevant adaptation targets in NDCs, as appropriate;</li> <li>• Placeholder: accounting for adaptation component of NDCs could be informed, if needed, by the discussions under APA Agenda Item 4 and the Adaptation Committee.</li> </ul>
Accounting for support	<ul style="list-style-type: none"> <li>• Developed country Parties to account for their contributions on provision of support in accordance with Articles 4.5, 4.13, 9.7, 10 and 11 and paragraph 57 of decision 1/CP.21;</li> <li>• Developed countries to account for their NDCs on financial support in accordance with the modality to be developed referred to in paragraph 57 of decision 1/CP.21, in order to ensure the requirement of “new and additional” and avoid double counting on financial support;</li> <li>• Developed countries to account for their NDCs on technology development and transfer and capacity-building, with a view to clarifying the definition and scope of technology development and transfer and capacity-building support, developing the appropriate methodologies to count and calculate the scale and possible effects of such support and avoiding the double counting;</li> <li>• Developing countries to be encouraged to use clear, concise and transparent methodologies or approaches to explain the costs, barriers and support needed related to their NDCs.</li> </ul>

## ANNEX I: Drawing from existing approaches

- Approaches and institutional arrangements established under the Convention and Kyoto Protocol offer valuable lessons and approaches for the development of an accounting system under the Paris Agreement. Some of these include:
  - The importance of reliable national systems for the production of annual inventories;
  - The value of National registries, established according to common rules, with common definitions and functions, where the transfer of international units is contemplated;
  - Common reporting formats and metrics to enhance transparency, accuracy, completeness, consistency and comparability of inventories;
  - Expert reviews of inventories, with authority to recommend adjustments;
  - An international transaction log for the tracking and oversight of units and outcomes generated and/or transferred;
  - Individual unit identifiers and vintages of emission reductions;
  - Systems and tools to avoid double counting where transfers are contemplated;
  - Separate accounting modalities for the land use sector;
  - Systems to reflect and process a share of proceeds from market-related units toward adaptation;
  - Supplementary information addressing the land sector and emission projections;
  - The notion of supplementarity – that the major part of emission reductions reported by Parties should come from domestic mitigation efforts;
  - Ways to manage the issue of hot air / surplus, in the context of emissions trading or cooperative approaches;
  - Quantified approaches to protect the environmental integrity of domestic targets;
  - Eligibility rules and initial requirements for participation in transfers of internationally recognized units;
  - Compliance reviews to ensure inventory reporting of sufficient quality and consistency with accounting rules, where transfers of internationally-recognized units are involved;
  - The goals of transparency and the protection of environmental integrity that led to the establishment of these systems are equally present and relevant under the PA.
- Guidance related to emissions and removals from LULUCF that refers to approaches under the Convention and its legal instruments on which Parties could draw from and, if necessary, further explains how Parties could draw from this guidance under the Paris Agreement. Relevant decisions include inter alia:
  - Guidance on accounting for Harvested Wood Products (2/CMP.7, 2006 IPCC Guidelines, IPCC KP supplement);
  - Definition of LULUCF categories and activities (Annex to decision 16/CMP.1, para 1, 2/CMP.7, Annex to decision 13/CMP.1 IPCC 2006);
  - Guidance related to REDD+ (Decision 1/CP.16, 4/CP.15; 13/CP.19; 14/CP.19)
  - Guidance on how to account for natural disturbances (IPCC KP supplement, decision 2/CMP.7);
  - Guidance on the use of reference levels in the LULUCF and REDD+ Decisions (2/CMP.6, 2/CMP.7, IPCC KP supplement, Decision 1/CP.16, 4/CP.15; 13/CP.19; 14/CP.19);
  - Procedure for technical corrections of forest reference levels to ensure methodological consistency (Decision 1/CMP.6, 2/CMP.7, 1/CMP.16; 13/CP.19).

## Draft elements for SBI agenda item 6

### Development of modalities and procedures for the operation and use of a public registry referred to in Article 4, paragraph 12, of the Paris Agreement

#### Informal note by the co-facilitators

*Version 08.09.2018 @ 20.00 hrs*

*These draft elements have been prepared by the co-facilitators of the negotiations on this agenda item under their own responsibility, on the basis of the Informal note (version 13.11.2017), the deliberations by Parties at current and previous sessions and the views they have submitted. These elements are preliminary and should not be considered as final in any way; they are offered as a basis for work and do not prejudice further work or prevent Parties from expressing their views at any time. It is recognized that the outcome of deliberations on this item will form part of the overall outcome under the Paris Agreement Work Programme.*

#### **SECTION A: PROPOSALS**

*Parties outlined different proposals for implementation of the public registry referred to in Article 4, paragraph 12 of the Paris Agreement including the following (presented in no particular order and noting that some of these could be combined):<sup>1</sup>*

- Establish and operationalize the public registry (based on the options below):

Option 1: Adopt the interim registry as the final public registry referred to in Article 4, paragraph 12 of the Paris Agreement with no further revisions;

Option 2: Adopt the interim registry as the final public registry referred to in Article 4, paragraph 12 of the Paris Agreement with minor revisions, including the removal of the search function;

Option 3: Improve the interim registry based on the detailed elements of the public registry referred to in Article 4, paragraph 12 of the Paris Agreement including those presented below;

- Invitation to Parties on the use of the registry;
- Request to secretariat to develop a prototype of the public registry referred to in option 3 above by the fifty-first session of the Subsidiary Body for Implementation (November 2019), on the basis of the detailed elements presented below;

#### **SECTION B: DETAILED ELEMENTS**

##### **1. MODALITIES**

- A public registry referred to in Article 4, paragraph 12 of the Paris Agreement:
  - is a clear, intuitive and easy to use web-based platform;
  - has a user-friendly interface in all 6 UN languages;

<sup>1</sup> The text in italics represents an explanatory text and will not form part of the decision.

- is a tool to record NDCs similar with the interim public registry as referred to in paragraph 30 of decisions 1/CP.21;
- is presented in a tabular format, with one table row for each NDC contained therein. The table columns display, inter alia, as appropriate: name of Party; document title; document type; version number; status; language; and submitted date;
- is flexible to enable each Party to submit its NDCs in the form submitted;
- preserves the integrity of the NDCs and retains national determination;
- can record NDCs in different order, such as alphabetically or chronologically;
- has inbuilt internet security measures to avoid unauthorized access or alterations of contents;
- ensures user-friendly navigation to and between relevant registries and other web resources;
- uses web tools to provide updates and notify users of new and/or modified content (e.g. Really Simple Syndication-RSS);

## 2. PROCEDURES

- **Submitting/Uploading**
  - The national focal point of each Party shall have a unique account for the public registry to submit/upload the NDCs;
  - The secretariat undertakes a completeness and internet security check of all submitted NDCs, before recording;
  - The secretariat contacts the national focal point to confirm the receipt of NDCs; to request clarifications, when required; and to inform the finalization of recording process;
  - The secretariat provides technical assistance to Parties that may need assistance in uploading NDCs to the registry;
- **Maintaining**
  - Proposal 1 - The public registry constitutes an archive and continue to record all previously submitted NDCs, as a matter of public record;
  - Proposal 2 - Parties have the right to replace or delete previously submitted NDCs;
- **Using/Downloading**
  - Parties, non-Party actors, other stakeholders and the public have access to download, view, [search] and read the NDCs from the public section of the registry;
  - Files should be available in different sizes for easier downloading in countries with slow Internet speed or limited capabilities for downloading;

## 3. ROLES

- Each Party designates a national focal point to manage NDCs in the public registry;
- Each Party receives access (unique user account) to the public registry and manages the account;
- The secretariat is the custodian of the public registry;
- The secretariat establishes, operates, maintains and updates the public registry as per the modalities and procedures, including precautionary actions to avoid unauthorised access and alterations of contents;
- The secretariat communicates with, and provides assistance to Parties, non-Party actors, other stakeholders and the public in using the public registry, including a user guide and training.

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## **SBI 48.2 item 5: Common time frames for nationally determined contributions referred to in Article 4, paragraph 10, of the Paris Agreement**

### **List of bullet points by the co-facilitators**

*We, the co-facilitators, want to highlight that the content of this list of bullet points by the co-facilitators is not exhaustive and does not represent agreed views or ideas; nor does it constitute an attempt to draw any conclusions on possible areas of convergence or divergence. The co-facilitators recognize that nothing is agreed until all the views on all aspects related to this item are agreed.*

*Parties have provided inputs during the consultations at SBI 47 and 48, and some Parties have also made submissions.<sup>1</sup>*

*The intention of the list of bullet points below is not to prejudge either the position of Parties on issues expressed or their views regarding the outcome of this agenda item.*

### **[ Mandate**

- Paris Agreement, Article 4, para. 10: “The Conference of the Parties serving as the meeting of the Parties to this Agreement shall consider common time frames for nationally determined contributions at its first session.”.
- Decision 1/CP.22, para. 10: “[The COP] requests the Subsidiary Body for Scientific and Technological Advice, the Subsidiary Body for Implementation, the Ad Hoc Working Group on the Paris Agreement and the constituted bodies under the Convention to accelerate their work on the work programme described in decision 1/CMA.1, paragraphs 5–7,<sup>2</sup> and to forward the outcomes to the Conference of the Parties at its twenty-fourth session (December 2018) at the latest;”.
- [Decision 1/CP.23, para 2: “[The COP] confirms its firm determination to oversee and accelerate the completion of the work programme under the Paris Agreement by its twenty-fourth session (December 2018) and to forward the outcomes for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at the third part of its first session (December 2018);”.]

### **Timing of applicability**

- Any common time frames decided shall be applicable to the NDCs from 1 January 2031 onwards [to be communicated in 2025] and every five year thereafter, noting that Parties can apply common time frames to NDCs communicated earlier on a voluntary basis.

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<sup>1</sup> The submissions made by Parties during SBI 48.2 are available at <https://unfccc.int/event/sbi-48-2>. The submissions made by Parties before the SBI 48.2 are available at <http://www4.unfccc.int/sites/submissionportal/Pages/Home.aspx>.

<sup>2</sup> Decision 1/CMA.1, paragraphs 5–7, reads:

“5. *Invites* the Conference of the Parties to continue to oversee the implementation of the work programme under the Paris Agreement in accordance with the arrangements contained in decision 1/CP.21, and to accelerate work and forward the outcomes at the latest to the third part of the first session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement to be convened in conjunction with the twenty-fourth session of the Conference of the Parties (December 2018) for its consideration and adoption;

“6. *Also invites* the Conference of the Parties to continue to oversee the work 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;

“7. *Further invites* the Conference of the Parties to continue to oversee the work on the development of modalities and procedures for the operation and use of a public registry referred to in Article 7, paragraph 12, of the Paris Agreement.”



- NDCs shall be communicated in 2025 and every five years thereafter, with common time frames applicable from 2031 onwards.
- Parties whose NDCs contain a 5-year time frame up to 2035 shall communicate by 2030 their respective new NDC with a time frame up to 2040 [and continue to do so every five years thereafter] and Parties whose NDCs contain a 10-year time frame up to 2040 shall communicate or update by 2030 these NDCs [and continue to do so every five years thereafter].

### Options for common time frames

*Some Parties are of the opinion that flexibility should apply for developing country Parties on the matter of common time frames referred to in Article 4, paragraph 10, of the Paris Agreement. Some other Parties do not share this opinion.*

- 5 years
  - ✓ Parties to communicate NDCs with a common time frame of 5 years.
  - ✓ Parties to communicate NDCs with a common time frame of 5 years or two successive NDCs with a 5-year time frame each.
  - ✓ Parties to communicate NDCs with a common time frame of 5 years in 2025, with implementation starting 1 January 2031. This target will be communicated in 2025 and later updated by 2030, taking into account the outcome of the global stocktake in 2028. Subsequent NDCs with a common time frame of 5 years shall be communicated every 5 years thereafter with a reference to the most recent global stocktake referred to in Article 14 of the Paris Agreement.
- 10 years
  - ✓ Parties to communicate NDCs with a common time frame of 10 years and to communicate or update their NDCs after five years pursuant to Article 4, paragraph 9, of the Paris Agreement.
- Each Party shall communicate by 2025 a nationally determined contribution with a time frame up to 2035 or 2040. Developed country Parties apply for [5 year], [5 year firm target+ 5 year indicative target][5 year firm target + 5 year indicative target (every five years Parties confirm their indicative target, taking in to account the outcome from the global stocktake and at the same time Parties communicate a new indicative target)][10 years][10+ update after 5 years]; Developing countries Parties apply for [5 year], [5 year firm target + 5 year indicative target][5 year firm target + 5 year indicative target (every five years Parties confirm their indicative target, taking in to account the outcome from the global stocktake and at the same time Parties communicate a new indicative target)][10 years][10 years + update after 5 years] at their discretion/over time.
- Nationally determined
  - ✓ Parties to communicate NDCs every 5 years, pursuant to Article 4, paragraph 9, of the Paris Agreement, with time frames on their own choosing
  - ✓ 5 and 10 years (if 10 years, Parties to provide indicative waypoint at the 5-year mark)
- Apply same common time frames for mitigation component, adaptation component and provision of support of NDC.
- Apply different time frames for mitigation component, adaptation component and provision of support of NDC.
- [Placeholder for other proposals]

## **Procedural Issues:**

- Requests the Subsidiary Body for Implementation at its [X] session, to consider common time frames for nationally determined contributions to be communicated from 2031 onwards and every five years thereafter, with a view to making a recommendation for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its [second session (November 2019)] [third session (November 2020)] [relevant session to be convened following the completion of the first global stocktake].
- Requests the Subsidiary Body for Implementation at its [X] session, to continue the consideration of common time frames for nationally determined contributions to be communicated from 2031 onwards and every five years thereafter, with a view to making a recommendation for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its [second session (November 2019)] [third session (November 2020)] [relevant session to be convened following the completion of the first global stocktake].
- Maybe procedural conclusions at COP 24 (Katowice, December 2018).
- The SBI agreed to continue its consideration of this matter at SBI49 with a view to recommending a draft decision thereon for consideration and adoption at CMA 1.3 (December 2018) at the latest, as an integral part of the Paris Agreement Work Programme.

## **Other considerations made by Parties (examples)**

- Importance of being informed by the global stock take referred to in Article 14 of the Paris Agreement;
- Importance of avoiding locking in ambition over long time periods;
- National circumstances, periods for their political decision and policy-making, time frames for social and economic development planning;
- Experience and lessons learned from the preparation, communication and implementation of Parties' first round of NDCs;
- Predictable policy frameworks to be established for social and economic development and efforts to address climate change, with a view to providing stable expectations to different stakeholders;
- Ambition of efforts to address climate change and easy access for developing country Parties to receive support to be provided by developed country Parties;
- More time needed for developing country Parties to prepare for the implementation of their NDCs. In this regard, there might be common time frames for developed and developing Parties respectively, without prejudice to the content of their NDCs;
- [Placeholder for other proposals]

**]**

## DRAFT TEXT

on

### SBI/SBSTA 48.2 agenda item 17 (b)/9(b)

Modalities, work programme and functions under the Paris Agreement of the forum on the impact of the implementation of response measures;

Version 08/09/2018 21:59

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#### **Draft CMA adopting decision containing draft elements of the modalities, work programme and functions of the forum on the impact of the implementation of response measures under the Paris Agreement**

*The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement,*  
{new draft adopting text below to indicate how the adopting decision might read}

## **I. Preamble**

### **Option 1**

*Recalling* the objective of the Convention as set out in its Articles 2, 3, paragraph 5, 4, paragraph 8, and 12, paragraph 7, and the aim of the Paris Agreement as set out in its Article 2,

*Also recalling* decisions 5/CP.7, 1/CP.10, 1/CP.13, 1/CP.16, 2/CP.17, 8/CP.17, 1/CP.18 and 31/CMP.1; relevant principles and provisions set out in Article 3, paragraphs 1, 4 and 5, and Article 4, paragraphs 1(g) and (h), 3, 5, 7, 8, 9 and 10, of the Convention; and Article 2, paragraph 3, and Article 3, paragraph 14, of the Kyoto Protocol,

*Further recalling* the purpose of the forum on the impact of the implementation of response measures, set out in decision 1/CP.21, paragraphs 33 and 34, and decision 11/CP.21,

*Recalling* Article 4, paragraph 15, of the Paris Agreement, which states that Parties shall take into consideration in the implementation of the Agreement the concerns of Parties with economies most affected by the impacts of response measures, particularly developing country Parties;

*Reaffirming* Article 2, paragraph 2, and in pursuit of the objectives of the Paris Agreement, guided by the principles of common but differentiated responsibilities and respective national capabilities in the light of different national circumstances, in addressing the specific needs and concerns of developing country Parties arising from the impact of the implementation of response measures,

{end of option 1}

### **Option 2**

*Recalling* Article 4, paragraph 15, of the Paris Agreement, which states that Parties shall take into consideration in the implementation of the Agreement the concerns of Parties with economies most affected by the impacts of response measures, particularly developing country Parties,

*Noting* that the forum on the impact of the implementation of response measures should facilitate undertaking mitigation measures and increasing mitigation ambition towards achieving the aim under Article 4, paragraph 1, of the Paris Agreement, and, in this regard, *stressing* that the forum should serve as an enabler of action in the context of implementing domestic mitigation actions,

*Recalling* decision 8/CP.17, which established a forum on the impact of the implementation of response measures, and decision 11/CP.21, in which it was decided to continue and improve the forum,

*Also recalling* paragraphs 33 and 34 of decision 1/CP.21,

*Recognizing* that the forum should be facilitative and cooperative and avoid overlap with existing work of relevant intergovernmental and international organizations, including institutional arrangements under the Convention and the Paris Agreement,

*Stressing* that the forum should build on lessons learned and previous work under the improved forum on the impact of the implementation of response measures,

*Recognizing* that Parties may be affected not only by climate change but also by the impact of measures taken in response to it,

*Acknowledging* that there are both positive and negative impacts associated with measures taken to respond to climate change, and that the forum should facilitate discussion on ways to maximize the positive and minimize the negative impact of response measures,

*Urging* Parties, in implementing their policies and measures, to promote a just transition of the workforce and the creation of decent work and quality jobs in accordance with nationally defined development priorities and strategies,

*Acknowledging* that response measures should be understood in the broader context of the transition towards low greenhouse gas emission and climate-resilient development,

*Emphasizing* that response measures should be understood in the broader context of promoting cooperation by all countries with a view to accelerating the reduction of global greenhouse gas emissions,

*Taking into account* the rights of indigenous peoples, local communities, migrants, persons with disabilities and youth, as well as health, gender equality, empowerment of women and intergenerational equity,

{end of option 2}

### **Option 3**

*Recalling* the objective of the Convention as set out in its Articles 2, 3, paragraph 5, 4, paragraph 8, and 12, paragraph 7, and the aim of the Paris Agreement as set out in its Article 2,

*Also recalling* decisions 5/CP.7, 1/CP.10, 1/CP.13, 1/CP.16, 2/CP.17, 8/CP.17, 1/CP.18 and 31/CMP.1; relevant principles and provisions set out in Article 3, paragraphs 1, 4 and 5, and Article 4, paragraphs 1(g) and (h), 3, 5, 7, 8, 9 and 10, of the Convention; and Article 2, paragraph 3, and Article 3, paragraph 14, of the Kyoto Protocol,

*Further recalling* the purpose of the forum on the impact of the implementation of response measures, set out in decision 1/CP.21, paragraphs 33 and 34, and decision 11/CP.21,

*Recognizing* Article 4, paragraph 15, of the Paris Agreement, which states that Parties shall take into consideration in the implementation of the Agreement the concerns of Parties with economies most affected by the impacts of response measures, particularly developing country Parties;

*Reaffirming* Article 2, paragraph 2, and in pursuit of the objectives of the Paris Agreement, guided by the principles of common but differentiated responsibilities and respective national capabilities in the light of different national circumstances, in addressing the specific needs and concerns of developing country Parties arising from the impact of the implementation of response measures,

*Emphasizing* that the Paris Agreement recognizes the specific needs and special circumstances of developing country Parties and their right to development,

*Stressing* that the impact of the implementation of response measures is an issue of mitigation and not of adaptation,

*Recognizing* that Parties, particularly developing country Parties, are affected not only by climate change but also by the socioeconomic impacts of measures taken in response to it, which have implications for trade-related development and economic transformation,

*Emphasizing* that developed country Parties, in taking the lead, play an important role in addressing climate change and the impacts of measures taken in response to it,

*Reaffirming* that Parties should cooperate to promote a supportive and inclusive international economic system that will lead to sustainable economic growth and development in all Parties, particularly developing country Parties, by ensuring that measures taken to combat climate change, including unilateral measures, should not constitute a means of arbitrary or unjustifiable discrimination or disguised restriction on international trade that affects the right to development, particularly of developing country Parties,

*Also reaffirming and enhancing* arrangements for the provision to developing country Parties of technical, financial and capacity-building support, upon request, for compiling information on the implementation of response measures in accordance with Article 4 of the Paris Agreement,

*{end of option 3}*

#### **Option 4**

*{no preamble section}*

*{end of option 4}*

#### **Option 1**

1. *Decides* that the forum on the impact of the implementation of response measures, under the subsidiary bodies, shall serve the Paris Agreement in accordance with decision 1/CP.21, paragraph 33;
2. *Adopts* the modalities, work programme and functions under the Paris Agreement of the forum on the impact of the implementation of response measures contained in the annex;
3. *Takes note* of the estimated budgetary implications of the activities to be undertaken by the secretariat referred to in paragraph xx above;
4. *Requests* that the actions of the secretariat called for in this decision be undertaken subject to the availability of financial resources.

#### **Option 2**

1. *Decides* that the forum on the impact of the implementation of response measures, under the subsidiary bodies, shall continue in accordance with decision 11/CP.21 and shall serve the Paris Agreement in accordance with decision 1/CP.21, paragraph 33;
2. *Adopts* the modalities, work programme and functions under the Paris Agreement of the forum on the impact of the implementation of response measures contained in the annex; with a view to recommending specific actions;
3. *{placeholder for the governance part};*
4. *{placeholder for elements on interlinkages with other parts of the Paris Agreement, if any};*
5. *{placeholder for work needed to operationalize this decision}*
6. *Requests* the subsidiary bodies, in order to advance the technical work under the forum on the impact of the implementation of response measures, to elaborate on forms of support arrangements for addressing the impact of the implementation of response measures;
7. *Decides* that the improved forum on the impact of the implementation of response measures serving the Paris Agreement shall provide recommendations on the actions referred to in paragraph 2 above for consideration by the subsidiary bodies with a view to recommending those actions to the Conference of Parties (COP, Conference of Parties serving as meeting of Parties to the Kyoto Protocol (CMP), Conference of Parties serving as meeting of Parties to the Paris Agreement (CMA) for adoption, beginning at its xx session;
8. *Requests* the secretariat to support the work of the forum on the impact of the implementation of response measures;
9. *Takes note* of the estimated budgetary implications of the activities to be undertaken by the secretariat referred to in paragraph xx above and requests that the actions of the

secretariat called for in this decision be undertaken subject to the availability of financial resources.

## **Annex**

### **Draft elements of the modalities, work programme and functions of the forum on the impact of the implementation of response measures under the Paris Agreement**

## **I. Principles**

### **Option 1**

1. The forum on the impact of the implementation of response measures under the Paris Agreement, guided by the following cross-cutting and overarching considerations, to be:

- (a) Action oriented – facilitating assessment and analysis of the implementation of the impact of response measures and considering what actions are necessary under the Convention and the Paris Agreement, including actions related to funding, insurance and technology transfer, to meet the specific needs and concerns of developing country Parties arising from the impact of the implementation of response measures, with a view to recommending specific actions and implementing concrete actions;
- (b) Permanent – having institutional arrangements in place to ensure that it shall continue and serve the Paris Agreement, under the subsidiary bodies;
- (c) Facilitative – assisting with addressing the specific needs and concerns of developing country Parties arising from the impact of the implementation of response measures by enhancing cooperation among Parties on understanding and addressing the impacts of mitigation actions under the Paris Agreement with a view to minimizing adverse impacts of response measures on Parties most affected by them, particularly developing country Parties, maximizing positive impacts and co-benefits and addressing negative impacts;
- (d) Collaborative and enhance cooperation – building synergies with existing work of relevant intergovernmental and international organizations, including institutional arrangements under the Convention, to address the impact of the implementation of response measures;
- (e) Interactive – promoting dialogue among stakeholders, including with relevant observers and external experts;
- (f) Transparent – having open meetings and public documents;
- (g) Enhanced governance of response measures to systematically address the adverse impact of the implementation of response measures, with a body (a permanent executive committee on response measures), a negotiating arm (forum under the Paris Agreement) and a permanent technical arm (group of experts) to provide expert inputs.

*{end of option 1}*

### **Option2**

*{no principles section}*

*{end of option 2}*

## **II. Functions**

### **Option 1**

2. In addition to the function in decision 1/CP.21 the forum shall have the following functions:

- (a) As per decision 1/CP.21 paragraph 94 (f) transparency framework for action (to address the impacts of the implementation of response measures) and support to develop modalities procedures and guidelines for information on the social and economic impacts of response measures;
- (b) Providing a platform for Parties to share, in an interactive manner, lessons learned, information, experience, case studies, best practices and views;
- (c) Providing a platform for Parties to cooperate concerning the obstacles and problems arising from the impact of the implementation of response measures, to address the needs of all Parties, in particular developing country Parties, by facilitating the assessment and analysis of impacts, taking into consideration all relevant policy issues of concern by providing support for identifying and understanding the impact of the implementation of response measures, with a view to recommending specific actions to the COP, the CMA and/or the CMP;
- (d) Developing tools and methodologies to assess impacts, and promoting understanding of cross-border impacts of the implementation of response measures on developing country Parties;
- (e) Enhancing the capacity of Parties to assess, address, manage, monitor and report on the impact of the implementation of response measures by facilitating linkages with financial, technological and capacity-building mechanisms under the Paris Agreement;
- (f) Building cooperation and collaboration at various levels, both under and outside the UNFCCC, with international organizations, regional organizations, experts and institutions on addressing the adverse economic and social consequences of response measures on developing country Parties;
- (g) Collaborating and supporting arrangements under the Paris Agreement in relation to, inter alia, the global stocktake, transparency, compliance, Article 6 and nationally determined contribution;
- (h) Promoting action by developed country Parties to minimize adverse impacts of the implementation of response measures.

*{end of option 1}*

#### **Option 2**

The functions of the forum are to address the effects of the implementation of response measures under the Paris Agreement by enhancing cooperation among Parties on understanding the impacts of mitigation actions under the Paris Agreement and the exchange of information, experience and best practices among Parties to raise their resilience to such impacts, in accordance with decision 1/CP.21, paragraph 34.

*{end of option 2}*

#### **Option 3**

The functions of the forum to include the provisions stated in decision 11/CP.21 and as elaborated in decision 1/CP.21, paragraph 34.

*{end of options 3}*

### **III. Work programme**

#### **Option 1**

- 3. The work programme to be flexible and take a dynamic approach;

#### **Option 2**

No text

*{end of options for para 3}*

**Option 1**

4. In the work programme, the forum will recognize the different needs, stages of economic development and levels of current and potential economic diversification of Parties;

**Option 2**

The work programme on the impact of the implementation of response measures will be implemented to reflect the principle of equity and common but differentiated responsibilities and respective capabilities, in the light of different national circumstances;

**Option 3**

No text

*{end of options for para 4}*

**Option 1**

5. The work programme to address the concerns of Parties with economies most affected by the impacts of response measures, particularly developing country Parties, comprise the following areas of work:

- (a) Economic diversification and transformation;
- (b) Just transition of the workforce and the creation of decent work and quality jobs.

**Option 2**

The work programme to address the concerns of Parties with economies most affected by the impacts of response measures, particularly developing country Parties, to comprise the following areas of work:

- (a) Economic diversification and transformation;
- (b) Just transition of the workforce and the creation of decent work and quality jobs;
- (c) International trade and investment, value chain integration, inclusive growth and poverty reduction;
- (d) Study or assessment of the impacts of implementation of response measures, taking into consideration all relevant policy issues of concern;
- (e) Any other areas identified in line with the functions above

**Option 3**

The work programme to address the concerns of Parties with economies most affected by the impacts of response measures, particularly developing country Parties, to comprise the following areas of work:

- (a) Economic diversification and transformation;
- (b) Just transition of the workforce and the creation of decent work and quality jobs;
- (c) Study or assessments of the impacts, taking into consideration all relevant policy issues of concern;
- (d) Any other areas identified in line with the functions above

**Option 4**

The work programme [shall][should] address concerns of Parties with economies most affected by the impacts of response measures, particularly developing country Parties, to comprise the following areas of work



(a) The impacts of the implementation of response measures on economic development in relation to international trade and investment, value chain integration, inclusive growth, job creation and poverty reduction;

(b) Measures taken to minimize the impacts of implementation of response measures

The above-mentioned areas of work shall be implemented by a detailed work program that

(a) Produces technical studies and reports, reviews, guidelines, pilot projects that address the impacts of the implementation of response measures by developing recommendations to COP, CMP and CMA

(b) Produces joint work with external organizations, guidelines, cases studies, assessments, capacity building to enhance cooperation among parties on understanding the impacts of mitigation action

(c) Promotes sharing of experiences, best practices and exchange of information

*{end of options for para 5}*

### **Option 1**

6. The detailed work programme includes:

(a) Developing sector-specific case studies aimed at sharing success stories and lessons learned and addressing the barriers to implementing diversification strategies for sectors and industries vulnerable to or affected by response measures;

(b) Capacity-building through regional training programmes to enable countries to use existing methodologies and tools and/or the tools developed by the forum, including modelling tools;

(c) Developing specific guidelines for developed countries on how to report on actions and impacts related to the implementation of response measures in such a way as to promote actions to minimize adverse impacts;

(d) Examining and reviewing the impacts of response measures comparatively (domestic versus cross-border impacts);

(e) Developing guidelines for monitoring and reporting impacts and measures undertaken to address or minimize negative impacts of the implementation of response measures;

(f) Increasing private investment flows to help economic diversification;

(g) Designing policies to facilitate trade competitiveness in line with the mitigation outcomes referred to in Article 4 of the Paris Agreement;

(h) Maximizing the net positive effects of mitigation actions on employment creation, unemployment and underemployment, which could take into account key economic sectors and issues, and help inform national policy options to achieve optimal outcomes;

(i) Bringing together stakeholders relevant to a just transition and the creation of decent work and quality jobs;

(j) Developing training and retraining systems for workers affected by the implementation of mitigation outcomes.

### **Option 2**

*{Placeholder for indicative elements of the work plan to be filled based on inputs received from Parties}*

### **Option 3**

Following the finalization of the functions, work program, and modalities of the response measures forum serving the Paris Agreement, the subsidiary bodies to develop a six-year forum workplan of activities in line with the forum's work programme and modalities

### **Option 4**

No text

*{end of options for para 6}*

## **IV. Modalities**

7. The forum to be inclusive, interactive and transparent.

### **A. Governance**

#### **Option 1 (Governance)**

##### **Option 1**

8. The forum to be convened under a joint agenda item of the SBI and the SBSTA and will operate in accordance with the procedures applicable to a contact group;

##### **Option 2**

(a) The forum to be convened under a joint agenda item of the SBI and the SBSTA and report to the COP, the CMP and the CMA;

(b) The forum to operate in accordance with the procedures applicable to a contact group under the SBI and the SBSTA;

*{end of options for para 8}*

#### *Frequency of meetings*

9. The forum to meet

##### **Option 1 (frequency of meetings)**

in conjunction with the sessions of the SBI and the SBSTA;

##### **Option 2 (frequency of meetings)**

in conjunction with the sessions of the SBI and the SBSTA, with additional meetings taking place between sessions, as appropriate;

*{end of options for para 9}*

#### *TEG*

10. The forum to constitute

##### **Option 1 (TEG)**

a TEG on an ad hoc basis;

##### **Option 2 (TEG)**

a permanent TEG;

##### **Option 3 (TEG)**

no TEG;

*{end of options for para 10}*

##### **Option 1**

11. The forum will determine six-year workplans with a review every six years, in line with its work programme and functions.

##### **Option 2**

The forum will determine 5-year workplans with a review every three years, in line with its work programme and functions.

*{end of options for para 11}*

*{end of option 1 Governance}*

## **Option 2 (Governance)**

The forum shall operate as a permanent executive committee on the impact of implementation of response measures to be established under the CMA, with a negotiating arm (forum under the PA) and a permanent technical arm (group of experts). This executive committee shall be composed of **xx** members, to be elected by CMA, and shall develop its rules and procedures for approval by the CMA.

12. The committee and its arms to meet

*Frequency of meetings*

### **Option 1 (frequency of meetings)**

in conjunction with the sessions of the SBI and the SBSTA;

### **Option 2 (frequency of meetings)**

in conjunction with the sessions of the SBI and the SBSTA, with additional meetings taking place between sessions, as appropriate;

*{end of options for para 12}*

### **Option 1**

13. The forum will determine six-year workplans with a review every six years, in line with its work programme and functions.

### **Option 2**

The forum will determine 5-year workplans with a review every three years, in line with its work programme and functions.

*{end of options for para 13}*

*{End of option 2 Governance}*

14. The forum to use the following modalities to implement its work programme:

### **Option 1**

- (a) Technical studies and reports;
- (b) Sharing of experience, best practices and views;
- (c) Reviews;
- (d) Technical expert groups;
- (e) Guidelines;
- (f) Case studies, concrete examples and best practices;
- (g) Pilot projects;
- (h) In-session and intersession workshops;
- (i) Working with external stakeholders and organizations;
- (j) Regional training workshops;

### **Option 2**

The modalities of the improved forum on the impact of the implementation of response measures to be as per decision 11/CP.21.

### **Option 3**

No text

*{End of options for para 14}*

## DRAFT TEXT

on

### SBSTA 48-2 agenda item 12(a) Matters relating to Article 6 of the Paris Agreement: Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement

Version 1 of 9 September 02:00 hrs

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## Draft CMA decision containing draft guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement

### I. Preamble

**Option A {preamble}** {potential list below}

*Pp1 Recalling Article 2 of the Paris Agreement.*

*Pp2 Recalling Article 2 of the Paris Agreement and decision 1/CP.21, paragraph 1.*

*Pp3 Recalling Article 2 of the Paris Agreement and its paragraph 1.*

**Option B {list of preambular paragraphs, including principles}** {potential list below in Annex I, section II}

**Option B1 {principles only from Article 6, paragraphs 1-3}**

**Option B2 {principles from Article 6, paragraph 1-3 and others}** {further development may be required})

**Option C {no preamble}**

{no text required}

{end of Option C}

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

1. [Placeholder for adoption of Annex I to this decision {see Annex I}];
2. Requests the Subsidiary Body for Scientific and Technological Advice (SBSTA) to undertake the following work {see Annex II} and develop recommendations for a draft decision for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) at its second session (2019);
3. [Placeholder for review of the guidance at X future date].

## Annex I

### Draft guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement

#### I. Preamble *{see draft CMA adopting decision}*

#### II. Principles

##### Option A *{list of principles}* *{potential list below}*

1. Each participating Party engaging in cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement<sup>1</sup> (hereinafter referred to as cooperative approaches) that involve the use of internationally transferred mitigation outcomes (ITMOs) towards achievement of nationally determined contributions (NDCs) [shall][should] be guided by the following further principles:
  - (a) In accordance with Article 6, paragraph 1, participation in cooperative approaches is voluntary;
  - (b) Pursuant to Article 6, paragraph 1, cooperative approaches allow Parties [shall][should] maintain current ambition) in their NDC and allow for higher mitigation and adaptation ambition;
  - (c) In accordance with Article 6, paragraph 2, cooperative approaches [shall][should] promote sustainable development;
  - (d) In accordance with Article 6, paragraph 2, cooperative approaches [shall][should] ensure environmental integrity. Ensuring environmental integrity includes ensuring that such cooperative approaches do not lead to an overall increase in global greenhouse gas emissions.
  - (e) In accordance with Article 6, paragraph 2, Parties [shall][should] ensure transparency, including in governance;
  - (f) In accordance with Article 6, paragraph 2, Parties [shall][should] apply robust accounting and ensure the avoidance of double counting;
  - (g) Pursuant to Article 4, paragraph 3, cooperative approaches [shall][should] be consistent with the participating Parties' NDC and be designed and implemented in a manner that supports progression beyond the participating Parties' current NDC;
  - (h) The type of its NDC [shall][should] not exclude any Party from participating in cooperative approaches;
  - (i) Cooperative approaches [shall][should] "be bottom up" and to maintain national prerogatives by ensuring that such cooperative approaches are led by participating Parties;
  - (j) Cooperative approaches [shall][should] prioritize implementation of the participating Parties' NDC, and avoid extraneous influences;
  - (k) Cooperative approaches [shall][should] take into consideration/address Article 4, paragraphs 7 and 15;
  - (l) Participating Parties [shall][should] avoid unilateral measures and discriminatory practices in such cooperative approaches;
  - (m) Cooperative approaches [shall][should] be implemented through a multilateral rules-based system;
  - (n) The special circumstances of least developing countries and small island developing States [shall][should] be reflected.

<sup>1</sup> References to "Article" are to articles of the Paris Agreement, unless otherwise specified.

**Option B {no list of principles}**

{no text required}

### III. Scope

2. This guidance [shall][should] apply to:

**Option A {all steps in ITMO life cycle}**

- (a) Creation, transfer, acquisition, and use of ITMOs towards achievement of an NDC;

**Option B {first transfer and use}**

- (b) First transfer and use of ITMOs;

**Option C {transfer and acquisition}**

- (c) Transfer and acquisition of ITMOs;

**Option D {only use of ITMOs towards NDCs}**

- (d) Use of ITMOs towards an NDC;

**Option E {cooperative approaches involving transfers of ITMOs used towards NDCs}**

- (e) Cooperative approaches that involve transfers of ITMOs used towards NDC by Parties.

3. This guidance [shall][should] apply to the 2021 reported year and subsequent years.

4. This guidance [shall][should] cover:

**Option A {only cooperative approaches referred to in Article 6, paragraph 2}**

- (a) Cooperative approaches referred to in Article 6, paragraph 2;

**Option B {cooperative approaches referred to in Article 6, paragraph 2 and mitigation activities under the mechanism established by Article 6, paragraph 4 from which emission reductions are internationally transferred}**

- (b) Cooperative approaches referred to in Article 6, paragraph 2;

- (c) Mitigation activities under the mechanism established by Article 6, paragraph 4 from which emission reductions are internationally transferred and used toward NDCs.

{end of Option B}

**Option A {special circumstances of LDCs and SIDs}**

5. In relation to least developed countries and small island developing States, the special circumstances of least developed countries and small island developing States as set out in Article 4, paragraph 6, [shall][should] be recognized where this guidance relates to NDCs. For the purpose of this guidance, references to NDC means, for least developing countries and small island developing States, strategies, plans and actions for low greenhouse gas emissions development, reflecting their special circumstances.

**Option B {no special circumstances}**

{no text required}

### IV. Purpose

6. This guidance [shall][should]: {potential list below}

- (a) Ensure consistency of cooperative approaches with Article 2;

- (b) Ensure consistency of cooperative approaches with Article 6, paragraph 1;

- (c) Enable Parties to apply robust accounting, including the avoidance of double counting;

- (d) Address scope and purpose of Article 6, paragraph 2 activities and cooperative approaches.

**V. Definitions** {at SBSTA 48.1 Parties agreed to return to definitions section when the content of the guidance is more settled.}

7. {Placeholder for the definitions as per document SBSTA48.Informal.5.v2ed<sup>2</sup>. “May informal note”}

**VI. Internationally transferred mitigation outcomes**

**A. Internationally transferred mitigation outcomes that may be/are used towards achievement of a nationally determined contribution**

8. An ITMO/s [shall][should] be consistent with the guidance in this section VI and decisions adopted by the CMA relating to this guidance.

**1. Responsibility**

9. The responsibility to elaborate what is an ITMO that is used towards achievement of an NDC [shall][should] be with:

**Option A {the CMA}**

(a) The CMA;

**Option B {the 6.2 body}**

(b) The 6.2 body;

**Option C {the Article 6 body}**

(c) The Article 6 body;

**Option D {participating Parties}**

(d) Participating Parties implementing a cooperative approach.

**2. Measurement**

**Option A {guidance on measurement}**

10. An ITMO [shall][should] be any one or more of the following {potential list below}:

**Option A1 {in tonnes of carbon dioxide equivalent}**

(a) Equal to one metric tonne of carbon dioxide equivalent (CO<sub>2</sub>e);

**Option A2 {in tonnes of carbon dioxide equivalent and other metrics}**

(b) Measured in tonnes of CO<sub>2</sub>e and other metrics;

**Option B {no guidance on measurement}**

{no text required}

11. An ITMO [shall][should] be calculated:

**Option A {by CMA, in accordance with certain IPCC}**

(a) In accordance with the methodologies and common metrics assessed by the IPCC and adopted by the COP/CMA;

(b) Using global warming potentials assessed/recommended by the IPCC and adopted by the COP/CMA;

**Option B {by implementing Parties}**

(c) As determined by Parties implementing a cooperative approach;

(d) To be consistently identified and defined by the participating Parties.

<sup>2</sup> <https://unfccc.int/documents/181519>.

### 3. Form

#### Option A {*guidance on form*}

12. An ITMO [shall][should] be any one or more of the following {*potential list below*}:

- (a) A unit with a unique serial number;
- (b) A net flow between participating Parties in a given period;
- (c) Amounts, in CO<sub>2</sub>e, subject to a corresponding adjustment to be recorded in the accounting balance of the Parties involved and in a centralized accounting database;
- (d) Not a freely tradable unit.

#### Option B {*no guidance on form*}

{*no text required*}

### 4. Scope

#### Option A {*guidance on scope*}

13. An ITMO may be created for any of the following {*potential list below*}:

- (a) Emission reductions;
- (b) Emission removals;
- (c) Emissions avoided;
- (d) The full spectrum of mitigation outcomes, including mitigation co-benefits of adaptation actions and/or economic diversification plans;
- (e) Net absolute national reductions;

#### Option B {*no guidance on scope*}

{*no text required*}

### B. Characteristics of an internationally transferred mitigation outcome {*see work plan for 2019*}

14. ITMOs [shall][should] be:

#### Option A {*RPAV*}

- (a) Real, permanent, additional and verifiable;

#### Option B {*RPV*}

- (b) Real, permanent and verifiable;

#### Option C {*RAV*}

- (c) Real, additional and verifiable;

#### Option D {*RV*}

- (d) Real and verifiable.

### C. Other internationally transferred mitigation outcomes

15. The following are also ITMOs {*potential list below*}:

- (a) Those emission reductions issued and subject to a corresponding adjustment under this guidance as per the rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, if internationally transferred;
- (b) Certified emission reductions issued under Article 12 of the Kyoto Protocol that are used towards achievement of an NDC;



- (c) Emission reduction units determined under Article 6 of the Kyoto Protocol that are used towards achievement of an NDC.

## VII. Governance

### A. Role of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement

#### Option A {CMA functions, including issuance process}

16. The CMA [shall][should] *{potential list below}*:

- (a) Approve creation of/issue ITMOs, consistent with this guidance;
- (b) Periodically review the participation of non-Party actors to provide further guidance, as necessary.
- (c) Ensure consistency between this guidance and the rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, in relation to the use of emission reductions under that mechanism towards achievement of NDCs;
- (d) Review this guidance periodically/by no later than *{X date}*, on the basis of recommendations from the committee referred to in Article 15, paragraph.

#### Option B {no CMA functions}

*{no text required}*

### B. Oversight

1. **Arrangements** *{this section seeks to elaborate the options for oversight arrangements as compared to the Reorganized Informal Note<sup>3</sup>}*

#### Option A {Article 6.2 body}

17. A cooperative approaches body (hereinafter referred to as the “6.2 body”) to ensure consistency with this guidance and decisions of the CMA relating to this guidance [shall][should] be established with the following composition:
- (a) Equal representation of developing country Parties and developed country Parties;
  - (b) One member from the least developed country Parties;
  - (c) One member from the small island developing States.

#### Option B {Article 13 technical expert review for consistency with this guidance}

18. Each participating Party [shall][should] undergo a technical expert review consistent with this guidance as referred to in the modalities, procedures and guidelines for Article 13 relating to Article 13, paragraph 7(b) *{the MPGs to refer to this guidance for required Article 6 information}*.
19. Each participating Party [shall][should] ensure its participation in cooperative approaches and its use of ITMOs towards achievement of its NDC is consistent with this guidance.

#### Option C {Article 6 technical expert review to review for consistency with this guidance} *{this section has been re-titled to more clearly reflect a distinct/specific Article 6 technical expert review option}*

20. Each participating Party [shall][should] undergo an Article 6 technical expert review for consistency with this guidance and decisions of the CMA relating to this guidance.
21. Each participating Party [shall][should] ensure its participation in cooperative approaches and its use of ITMOs towards achievement of its NDC is consistent with this guidance.

#### Option D {combination of Options A, B and C above}

#### Option E {Article 6 body}

<sup>3</sup> <https://unfccc.int/documents/181780>.

22. An Article 6 body (hereinafter referred to as the “Article 6 body”) to ensure consistency with this guidance and decisions of the CMA relating to this guidance, [shall][should] be established with the following composition {*further elements needed*};

**Option F {no oversight arrangements}**

{No text required}

{end of Option F}

**2. Functions of oversight** {this section seeks to elaborate the functions of oversight and incorporates the substantive content from the ex-ante, periodic and ex-post review sections of the Reorganized Informal Note}

**Option A {Article 6.2 body}** {this section has been reordered to clearly separate the 6.2 body’s review and other functions compared to the Reorganized Informal Note}

23. The 6.2 body [shall][should] review for consistency with this guidance, the following information submitted by each participating Party pursuant to the following sections:
- (a) Section VIII.A (Participation requirements);
  - (b) Section VIII.B (Participation responsibilities);
  - (c) Section IX.A (Ex-ante reporting);
  - (d) Section IX.B (Periodic and ex-post reporting);
  - (e) Section X.A (ITMO information)
  - (f) Section X.B (Operationalizing the corresponding adjustment);
  - (g) Section X.E (Use of ITMOs towards NDCs).
24. A Party may participate where ex-ante review by the 6.2 body determines that it meets the participation requirements.
25. The 6.2 body [shall][should] review the information submitted by a Party pursuant to section X.B (Periodic and ex-post Party reporting), the 6.2 body [shall][should] review the information for consistency with this guidance and decisions of the CMA relating to this guidance.
26. The 6.2 body [shall][should] also:
- (a) Approve creation of/issue ITMOs from cooperative approaches consistent with this guidance;
  - (b) Oversee a third-party review of the environmental integrity of ITMOs at creation;
  - (c) Develop rules and procedures that includes a policy for addressing conflict of interest.

**Option B {Article 13 technical expert review for consistency with this guidance}**

27. The Article 13 technical expert review [shall] {potential list below}:
- (a) Review the information submitted by each participating Party, as required by the following sections, for consistency with this guidance:
    - (i) {same potential list as option A above}.
  - (b) Submit its review for consideration by the committee referred to in Article 15, paragraph 2.
28. A Party may participate where the ex-ante review by the Article 13 technical expert review determines that it meets the participation requirements.
29. Where relevant, a Party [shall][should] issue units up to the allowable emissions, following the technical expert review {relates to budget-based below}.

**Option C {Article 6 technical expert review to review for consistency with this guidance}** {this section has been re-titled to more clearly reflect a distinct Article 6 expert review option}

30. The Article 6 technical expert review team [shall][should] be composed of technical experts, consistent with decisions of the CMA relating to this guidance {see work plan for 2019}.
31. The Article 6 technical expert review [shall] {potential list below}:

- (a) Review the information submitted by each participating Party, as required by the following sections, for consistency with this guidance:
  - (i) {same potential list as option A above}.
- (b) Submit its review for consideration by: {options have been added to highlight possible destinations of the results for the Article 6 technical expert review}

**Option C1 {submission of review to Article 15 committee}**

- (i) The committee referred to in Article 15, paragraph 2;

**Option C2 {submission of review to Article 6.2 body}**

- (ii) The Article 6.2 body;

**Option C3 {submission of review to Article 6 body}**

- (iii) The Article 6 body;

**Option C4 {no referral of review}**

{No text required}

- 32. A Party may participate where the ex-ante review by the Article 6 technical expert review determines that it meets the participation requirements.
- 33. Where relevant, a Party [shall][should] issue units up to the allowable emissions, following the Article 6 technical expert review {relates to budget-based below}.

**Option D {combination of Options A, B and C above}** {potential list of functions as per those set out in Options A, B and C}

**Option E {Article 6 body}**

- 34. {Placeholder for Article 6 body functions}

**Option F {no oversight arrangements}**

{No text required}

**C. Role of the secretariat** {see work plan for 2019}

- 35. Pursuant to Article 17, the secretariat [shall][should] carry out the activities set out in this guidance and decisions of the CMA relating to this guidance.
- 36. The secretariat [shall][should] report to the CMA in accordance with decisions of the CMA relating to this guidance.

**D. Role of other actors** {see work plan for 2019}

- 37. Non-Party actors may, where applicable, subject to authorization by a participating Party {potential list below}:
  - (a) Participate in cooperative approaches;
  - (b) Transfer and acquire ITMOs;
  - (c) Use ITMOs for purposes other than towards achievement of an NDC.

## VIII. Participation requirements and responsibilities

### A. Participation requirements

**Option A {Participation requirements}**

- 38. A Party may participate on a voluntary basis in cooperative approaches if the Party meets the following requirements {potential list below}:
  - (a) It is a Party to the Paris Agreement;

- (b) It has prepared, communicated and is currently maintaining an NDC in accordance with Article 4, paragraph 2. In this context, references to NDCs means, for LDCs and SIDs, strategies, plans and actions for low greenhouse gas emissions development reflecting their special circumstances;
- (c) It has authorized the use of ITMOs pursuant to Article 6, paragraph 3 and has made that authorization public;
- (d) It has obtained the authorization for the use of ITMOs pursuant to Article 6, paragraph 3 and has made that authorization public;
- (e) It has designated a national authority/focal point and has communicated that designation to the secretariat;
- (f) It has a registry or access to a registry that meets the requirements of section XIV.A (Registry) below;
- (g) It has a system or access to a system for recording the origin, creation, transfer, acquisition and use towards achievement of its NDC of ITMOs;
- (h) It has provided the most recently required inventory report in accordance with the modalities, procedures and guidelines relating to Article 13, paragraph 7, including a consistent time series of inventory emissions submitted no less than annually /biennially, taking into account flexibility for inventories for least developed country Parties and small island developing States;
- (i) It has formulated and communicated an economy-wide long-term low-emission development strategy pursuant to Article 4, paragraph 19;
- (j) In relation to quantification of its current NDC, it has done the following for the purposes of participating in cooperative approaches *{further potential list below}*:
  - (i) Quantified the mitigation into an amount of tonnes of CO<sub>2</sub>e;
  - (ii) Quantified the NDC into a pool of quantified contribution units;
  - (iii) Identified the sectors and greenhouse gases covered by its NDC;
  - (iv) Identified the time period for its NDC (e.g. multi-year or single year);
  - (v) Calculated an absolute-emissions, multi-year, economy-wide target;
  - (vi) Identified an indicative emissions trajectory consistent with its long-term low greenhouse gas emission development strategy pursuant to Article 4, paragraph 19;
- (k) In relation to each cooperative approach *{further potential list below}*:
  - (i) It has a process to set a baseline;
  - (ii) It has requirements to mitigate leakage risk;
  - (iii) It has systems to ensure permanence, including to address reversals;
- (l) In relation to ITMOs *{further potential list below}*:
  - (i) It has a process to verify ITMOs created and first/only transferred;
  - (ii) It has a process to ensure that ITMOs created and first/only transferred and/or used do not result in environmental harm;
  - (iii) It has a process to ensure that ITMOs created and first/only transferred and/or used do not adversely affect human rights;
  - (iv) It has a process to ensure that ITMOs created and first/only transferred and/or used do not have negative social or economic impacts on any Party.

**Option B {No participation requirements}**

*{No text required}*

**B. Participation responsibilities**

**Option A {Participation responsibilities}**

39. Each Party participating on a voluntary basis in cooperative approaches [shall][should] meet the following responsibilities:
  - (a) {same potential list as section VIII.A}
40. Each participating Party [shall][should] ensure environmental integrity through the following:
  - (a) Setting baselines in a conservative way and below the BAU for the emissions in relation to the activity and in a transparent manner;
  - (b) Taking into account all existing policies when setting baselines;
41. Each participating Party [shall][should] ensure that the cooperative approach in which it participates:
  - (a) Contributes to the transition in the host Party to a low carbon development economy;
  - (b) Does not lead to an increase in global emissions;
  - (c) Does not impede the formulation of an NDC by the host Party that reflects the highest possible ambition and a progression over time of the NDC;
  - (d) Does not imply risks of conflicts with other environment-related aspects. In case of environment-related conflicts, measures to mitigate any negative trade-offs [shall][should] be taken;
  - (e) Is consistent with the Sustainable Development Goals and the sustainable development objectives of the host Party;
  - (f) Is consistent with the respect of and does not represent a threat to human rights;
42. Each participating Party [shall][should] ensure that the cooperative approach, in which it participates avoids causing negative social or economic impacts to any Party.

**Option B {No participation responsibilities}**

{No text required}

## **IX. Reporting**

### **A. Ex-ante reporting**

**Option A {ex-ante reporting requires information contained in Participation requirements}**

43. Each participating Party [shall][should] provide, prior to its participation in cooperative approaches, the information required in section VIII (Participation requirements and responsibilities) and decisions of the CMA relating to this guidance, to demonstrate that it meets the participation requirements. {see work plan for 2019}

**Option B {ex-ante reporting contains all the following steps for budget-based}**

44. Each participating Party [shall][should] include in its report, pursuant to this section IX.A, information on quantification of allowable emissions, through an approved calculation method that is consistent with decisions of the CMA relating to this guidance, in accordance with the following steps:
  - (a) Quantification of allowable emissions through calculating how many tonnes of CO<sub>2</sub>e could be emitted while achieving its NDC;
  - (b) Multiplied by the number of years in the NDC, converted into a number of units, each corresponding to one tonne of CO<sub>2</sub>e;
  - (c) Where that number exceeds the average annual emissions for the years preceding the NDC, as per the last three national inventories, the difference, multiplied by the number of years in the NDC to be reserved for domestic use only;
  - (d) The resulting figure represents the quantified NDC.

**Option C {ex-ante reporting contains all the following for emissions-based}**

45. Each participating Party [shall][should] include in its report pursuant to section IX.A, the following information to enable the application of the emissions-based basis, consistent with decisions of the CMA related to this guidance:

- (a) The information on the scope and quantification of its NDC in tonnes of CO<sub>2</sub> equivalent (i.e. its “NDC quantity”);
- (b) The information on the reference level of emissions and removals for the relevant year or period;
- (c) The information on the target level of emissions and removals for its NDC year or period.
- (d) The secretariat [shall] consolidate the information contained in the ex-ante report submitted by each Party consistent with this section into the database referred to in section X of this guidance and further decisions of the CMA relating to this guidance *{see work plan for 2019}*.

**Option D {combination of A and B or C}**

**Option E {no ex-ante reporting}**

*{No text required}*

**B. Periodic and ex-post Party reporting *{see work plan for 2019}***

**Option A {periodic: annually, biennially, matching reporting period}**

46. Each participating Party [shall][should] provide the following information at the end of the reporting period, in addition to the information set out in section X.AX.A.2 of this guidance, consistent with decisions of the CMA relating to this guidance:

- (a) In relation to the ITMOs reported in section X.A *{potential list below}*:
  - (i) How it has used the quantity of ITMOs towards the achievement of its NDC;
  - (ii) Evidence of authorization pursuant to Article 6, paragraph 3;
  - (iii) The Party origin and the originating cooperative approach of the ITMOs;
  - (iv) The characteristics of the ITMOs (e.g. the metric, sector, vintage);
  - (v) How it has ensured the ITMOs are real, permanent, additional and verified;
  - (vi) How it has ensured the ITMOs are real, permanent and verified;
  - (vii) How it has ensured the environmental integrity of the ITMOs (including that transfers have not increased global emissions, that use does not erode the using Party’s NDC);
  - (viii) How it has ensured the requirements set out in the definition of environmental integrity have been met;
  - (ix) How it has ensured that ITMOs used towards achievement of its NDC will not be further transferred, acquired or used (e.g. through cancellation, retirement of such ITMOs);
  - (x) Provision of information in a standard reporting table/format;
  - (xi) Provision of information in a national certificate.
- (b) How the registry in section XIII.A (Registry) meets the requirements of the guidance and decisions of the CMA;
- (c) In relation to cooperative approaches, the authorised first transfer and authorised use of ITMOs towards achievement of the NDC of the Party *{potential list below}*:
  - (i) How it has ensured the environmental integrity of cooperative approaches;
  - (ii) How the cooperative approaches support implementation of its NDC and/or the mitigation of greenhouse gas emissions;
  - (iii) How any participation by the Party in the mechanism established under Article 6, paragraph 4, supports implementation of its NDC and/or the mitigation of greenhouse gas emissions;
  - (iv) How the cooperative approaches are consistent with its long-term low greenhouse gas emission development strategy pursuant to Article 4, paragraph 19 and foster transition to a low emissions economy;
  - (v) How the creation, first/only transfer and use and/or the transfer and acquisition of ITMOs is consistent with Article 3 in relation to progression over time;
  - (vi) How the use of ITMOs promotes sustainable development in the creating Party;

- (vii) How the creation, first/only transfer and use and/or transfer and acquisition of ITMOs promotes sustainable development within the context of the national prerogatives of that Party and/or within the context of its implementation of the Sustainable Development Goals;
- (viii) How the creation, first/only transfer and use and/or transfer and acquisition of ITMOs avoided environmental harm;
- (ix) How the creation, first/only transfer and use and/or transfer and acquisition of ITMOs avoided a violation of human rights;
- (x) Any updates to its methods for accounting for progress pursuant to the modalities, procedures and guidelines relating to Article 13, paragraph 7;
- (xi) How the creation, first/only transfer and use and/or transfer and acquisition of ITMOs avoided negative social or economic impacts on any Party.

**Option B {when demonstrating achievement of NDC}**

47. Each participating Party [shall][should] provide the following information at the end of the NDC implementation period, in addition to the information on ITMOs set out in section X.A of this guidance, consistent with any decisions of the CMA relating to this guidance *{same potential list as Option A above}*.

**Option C {both Option A and Option B}**

*{No text required}*

**Option D {real-time reporting}**

*{further detailed required}*

## **X. Corresponding adjustment**

### **A. ITMO information**

#### **1. Recording ITMO information**

**Option A {Parties record ITMO information}**

48. Each participating Party [shall][should] record ITMO information through the use of:

**Option A1 {ITL maintained pursuant with section XIII (Infrastructure)}**

- (a) A registry system that is consistent with section XIII (Infrastructure) of this guidance and any further decisions of the CMA relating to this guidance, and that is connected to an international transaction log.

**Option A2 {Central registry pursuant to with section XIII (Infrastructure)}**

- (b) Accounts in a centralised registry system as per section XIII (Infrastructure) of this guidance and any further decisions of the CMA relating to this guidance.

**Option A3 {registries (no standards or minimum standards) – standards section XIII (Infrastructure)}**

- (c) Registry systems consistent with section XIII (Infrastructure) of this guidance and any further decisions of the CMA relating to this guidance.

**Option B {No obligation to record ITMO information}**

*{No text required}*

#### **2. Reporting ITMO Information**

**Option A {Parties periodically report transaction data and other ITMO data in tabular format}**

49. Each participating Party [shall][should] provide, in agreed tabular format, information on ITMO transactions including *{potential list below}* *{see work plan for 2019}*:

- (a) Total/total cumulative emissions and removals covered by its NDC over the reporting period/NDC implementation period;
- (b) Total cumulative ITMOs created over the reporting period/NDC implementation period;

- (c) Total cumulative ITMOs transferred internationally over the reporting period/NDC implementation period;
  - (d) Total cumulative ITMOs acquired from an international source over the reporting period/NDC implementation period;
  - (e) Total cumulative ITMOs transferred over the reporting period/NDC implementation period, where the transfer is the first international transfer of that ITMO;
  - (f) Total ITMOs held in the registry;
  - (g) Total ITMOs used towards the achievement of the NDC.
50. Each participating Party [shall][should] provide the information in agreed tabular format:
- Option A1 {annually through a specific report}**
- (a) Annually, consistent with any further decisions of the CMA related to this guidance;
- Option A2 {biennially through Article 13.7(b)}**
- (b) Biennially, consistent with this guidance as referred to in the modalities, procedures and guidelines for Article 13 relating to Article 13, paragraph 7(b) *{the MPGs to refer to this guidance for required Article 6 information}*.
- Option A3 {both annually and biennially through Article 13.7(b)}**
- (c) Annually, consistent with any further decisions of the CMA related to this guidance; and
  - (d) Biennially, consistent with this guidance as referred to in the modalities, procedures and guidelines for Article 13 relating to Article 13, paragraph 7(b) *{the MPGs to refer to this guidance for required Article 6 information}*.
- Option B {ITMO transaction data provided by the ITL / Central registry {see work plan for 2019}}**
51. The administrator of the international transaction log/central registry [shall] generate and publish/provide for each participating Party, in agreed tabular format, a report that includes information on ITMO transactions and data including:
- (a) *{same potential list as in Option A}*.
52. The administrator of the international transaction log/central registry [shall] generate and publish/provide for each participating Party, in agreed tabular format, the above report annually and/or biennially.
- Option C {No obligation to report ITMO transaction data}**
- {No text required}*

## **B. Operationalizing the corresponding adjustment**

**Option A {Corresponding adjustments consistent with basis and application of the corresponding adjustment recorded in real time}**

**Option A1 {through the ITL}**

53. Each participating Party [shall][should] make corresponding adjustments, consistent with the basis and application set out in section X, that are recorded in the international transaction log at the time the ITMO transaction takes place.

**Option A2 {through the Central Registry}**

54. Each participating Party [shall][should] make corresponding adjustments consistent with the basis and application set out in section X, that are recorded in the central registry at the time the ITMO transaction takes place.

**Option B {Parties record corresponding adjustment consistent with basis and application through periodic/ex post reporting of accounting information in agreed tabular format in Article 13.7(b) reports}**

55. Each participating Party [shall][should] record all corresponding adjustments consistent with the basis and application set out in section X, through the provision of information in agreed tabular format, that is submitted consistent with this guidance as referred to in the modalities, procedures and guidelines for Article 13 relating



to Article 13, paragraph 7(b) *{the MPGs to refer to this guidance for required Article 6 information}* including *{potential list below}*:

- (a) Total cumulative/annual emissions and removals covered by their NDC as derived from the greenhouse gas emissions totals in its national inventory over the reporting period/NDC implementation period;
- (b) Total cumulative/annual ITMOs transferred over the reporting period/NDC implementation period;
- (c) Total cumulative/annual ITMOs transferred over the reporting period/NDC implementation period where the transfer is the first international transfer for that ITMO;
- (d) Total cumulative/annual ITMOs acquired over the reporting period/NDC implementation period;
- (e) Total cumulative/annual ITMOs used towards the NDC over the reporting period/NDC implementation period;
- (f) The adjusted emissions balance after applying the corresponding adjustment for the reporting period/NDC implementation period.

**Option C *{Information reported in Option B is consolidated by the secretariat in a database which is maintained pursuant to section X.A}***

56. The secretariat [shall] consolidate the information contained in the agreed tabular format submitted by each Party into a database consistent with section X.A of this guidance and further decisions of the CMA relating to this guidance *{see work plan for 2019}*.

**Option D *{For Parties using buffer registry basis, Parties record CA in buffer registry}***

57. Each participating Party that is using the buffer registry basis for corresponding adjustment set out in section X, [shall][should] record the corresponding adjustment in its buffer registry consistent with further decisions of the CMA relating to this guidance.

## **C. Article 6, paragraph 2, corresponding adjustment**

### **1. General**

**Option A *{all Parties use the same basis for corresponding adjustment}***

58. Each participating Party [shall][should] apply the basis for corresponding adjustment set out in section X.2 consistently throughout the NDC implementation period.

**Option B *{a Party chooses which basis for corresponding adjustment and applies it consistently}***

59. Each participating Party [shall][should] select one of the bases for corresponding adjustment set out in section X.2 below and apply it consistently throughout the NDC implementation period.

### **2. Basis for Article 6, paragraph 2, corresponding adjustment**

**Option A *{budget-based}***

60. Budget-based, where a Party applies the corresponding adjustment to a quantified budget of allowable emissions based on its quantified NDC.

**Option B *{emissions-based}***

61. Emissions-based, where a Party applies the corresponding adjustment to the emissions and removals covered by its NDC as derived from the greenhouse gas emissions totals in its national inventory, with a resulting balance (e.g. accounting balance/tracking and accounting balance /real-time balance).

**Option C *{buffer registry based}***

62. A buffer registry, where a Party applies the corresponding adjustment for each transfer and acquisition from a starting point of a zero balance, with a resulting balance that reflects net transfers and acquisitions towards nationally determined contributions and in accordance with NDC accounting.

**Option D *{emission reductions based}***

63. Emission reductions based, where a Party applies a corresponding adjustment to the total quantity of emissions reduction achieved during the NDC implementation period.

## **D. Application of corresponding adjustment** *{see work plan for 2019}*

64. Each participating Party [shall][should] make a corresponding adjustment by effecting an addition or subtraction consistent with the basis for the Article 6.2 corresponding adjustment in section X.C, the application of corresponding adjustments in this section, and consistent with decisions of the CMA relating to this guidance.

65. Each participating Party [shall][should] make a corresponding adjustment for:

**Option A** *{Parties record a corresponding adjustment for authorised first/only transfer and for use towards achievement of NDC}*

(a) Authorised first/only transfer of ITMOs and for authorised use of ITMOs towards achievement of its NDC.

**Option B** *{Parties record a corresponding adjustment for transfers and acquisitions}*

(b) Transfers of ITMOs and acquisitions of ITMOs towards achievement of its NDC.

**Option C** *{All transactions}*

(c) Creation, first/only transfer, transfer, acquisition and use towards an NDC.

## **E. Use of ITMOs towards NDCs** *{this section brings together guidance for corresponding adjustment from other sections and provides clarity for other corresponding adjustment basis}*

### **1. Budget-based corresponding adjustment** *{content moved from specific guidance}*

66. Each participating Party [shall][should] calculate the quantified NDC consistent with section IX.A (Ex-ante reporting) *{requires Option B of that section}*.

67. Each participating Party [shall][should] issue units consistent with section IX.B (Ex-ante review) into the registry that is established and maintained consistent with section XIII (Infrastructure) *{requires Option B of that section}*.

68. Each participating Party [shall][should] make a corresponding adjustment consistent with section X above (Corresponding adjustment).

69. Each participating Party [shall][should] identify the difference between allowable emissions and average actual reported emissions in the three years preceding the NDC period and any positive difference to be transferred into an NDC time frame reserve and used only for meeting its own NDC.

70. At the end of NDC implementation period, each participating Party [shall][should] retire the number of units equal to the emissions and removals covered by the NDC. Such retirement shall be made in the registry established and maintained pursuant to section XIII (Infrastructure).

### **2. Emissions-based corresponding adjustment**

71. Each participating Party [shall][should] provide quantified information on its NDC reference and target level emissions, consistent with section IX.A (Ex-ante reporting).

72. Each participating Party [shall][should] make a corresponding adjustment consistent with section X (Corresponding adjustment).

73. At the end of NDC implementation period, each participating Party [shall][should] submit information on the adjusted emissions balance for each year covered by its NDC and reported consistent with section X.A, and, to enable comparison, the information contained in this section, consistent with this guidance and decisions of the CMA relating to this guidance *{see work plan for 2019}*.

74. The secretariat [shall] consolidate the information contained submitted by each Party consistent with this section into the database referred to in section X of this guidance and further decisions of the CMA relating to this guidance *{see work plan for 2019}*.

### **3. Buffer registry-based corresponding adjustment** *{content moved from specific guidance}*

75. Forward the amount in the buffer registry resulting from corresponding adjustments, consistent with section X above (Corresponding adjustment) above to Article 4, paragraph 13 for NDC accounting.

#### **4. Emissions reductions-based corresponding adjustment**

76. {Further details required}.

### **XI. Specific guidance for corresponding adjustment** {moved to reflect full flow of corresponding adjustment}

#### **A. Sectors/greenhouse gases/emissions and removals etc.**

##### **1. General**

77. A creating Party may create and first/only transfer an ITMO that is achieved in its jurisdiction:

##### **Option A {only inside NDC}**

(a) in sectors/greenhouse gases/emissions and removals covered by that Party's NDC;

##### **Option B {inside and outside NDC}**

(b) in any sector/greenhouse gases/emissions and removals, whether or not they are covered by that Party's NDC.

##### **2. Sectors/greenhouse gases/emissions and removals covered by the nationally determined contribution**

78. For ITMOs that are created and first/only transferred by a Party and achieved in sectors/greenhouse gases/emissions and removals covered by that Party's NDC, each participating Party [shall][should] make a corresponding adjustment consistent with section X (Corresponding adjustment).

79. Least developed country Parties and small island developing States [shall][should] report their transfers annually.

##### **3. Sectors/greenhouse gases not covered by the nationally determined contribution** {this section is dependent on section XI.A.1 above and applies only for Option B}

80. For ITMOs that are created and first/only transferred by a Party and achieved outside the sectors/greenhouse gases/emissions and removals covered by that Party's NDC:

(a) The using Party [shall][should] make a corresponding adjustment consistent with section X (Corresponding adjustment);

(b) The authorising first transferring Party [shall][should]:

##### **Option A {make a corresponding adjustment}**

(i) Make a corresponding adjustment consistent with section X (Corresponding adjustment);

##### **Option B {no corresponding adjustment, reporting only}**

(ii) Report consistent with this guidance;

##### **Option C {not use ITMOS from outside the sectors/greenhouse gases covered by the NDC}**

(iii) Not use ITMOs from outside the scope of its NDC in order to achieve its own NDCs;

##### **Option D {can use ITMOS from outside the sectors/greenhouse gases covered by the NDC}**

(iv) Use ITMOs from outside the scope of its NDC towards achievement of its NDCs only if the Party will bring this sector/greenhouse gas/source of emissions and removals into the scope of its next NDC and if it makes a corresponding adjustment (as an addition to the inventory emissions).

##### **Option E {no action required}**

{no text required}

#### **B. Single-year nationally determined contributions** {see work plan for 2019}

81. A Party that has a single-year NDC that participates in cooperative approaches [shall][should] ensure that, it applies one or more of the bases below, consistent with decisions of the CMA relating to this guidance:

**Option A {single-year vintage creation and transfer only}**

- (a) Applies a single vintage (being the year the mitigation was achieved / the year that the mitigation is used towards an NDC) basis;

**Option B {cumulative corresponding adjustments}**

- (b) Applies a cumulative corresponding adjustment basis;

**Option C {comparison to a trend that would be consistent with NDC achievement}**

- (c) Applies a comparison to a consistent-with-NDC-achievement basis;

**Option D {averaging, including average per cooperative approach}**

- (d) Applies an averaging basis;

**Option E {representative corresponding adjustments}**

- (e) Applies a representative corresponding adjustment basis;

**Option F {reporting consistent with this guidance, periodically}**

- (f) Reports periodically consistent with this guidance;

**Option G {no specific guidance}**

{no text required}

**C. Multi-year nationally determined contributions {see work plan for 2019}**

**Option A {specific guidance on multi-year NDC}**

82. A Party with a multi-year NDC to make a corresponding adjustment consistent with decisions of the CMA relating to this guidance.

**Option B {no specific guidance}**

{no text required}

**D. Pre-2020/2021 units/internationally transferred mitigation outcomes {see work plan for 2019}**

83. In respect of pre-2020/2021 units/ITMOs Parties [shall][should] make a corresponding adjustment and use such ITMOs consistent with decisions of the CMA relating to this guidance.

**XII. Application of this guidance to emission reductions certified under the mechanism established by Article 6, paragraph 4 {see work plan for 2019}**

**Option A {guidance applicable to all emission reductions transferred internationally}**

84. Section X (Corresponding adjustment) of this guidance/this guidance applies to all emissions reductions under the mechanism established by Article 6, paragraph 4, when transferred internationally and used towards the achievement of an NDC.

**Option B {guidance applicable where emission reductions from sectors/greenhouse gases are covered by the NDC}**

85. Section X (Corresponding adjustment) of this guidance/this guidance applies to emission reductions under the mechanism established by Article 6, paragraph 4, that result from a mitigation activity that is included in the sectors/greenhouse gases covered by the host Party's NDC, when those emission reductions are transferred internationally.
86. This guidance does not apply to emission reductions under the mechanism established by Article 6, paragraph 4, if the mitigation activity is not included in the sectors/greenhouse gases covered by the host Party's NDC.

**Option C {guidance applicable where emission reductions are covered by the NDC}**

87. Section X (Corresponding adjustment) of this guidance/this guidance applies to emission reductions under the mechanism established by 6.4, that result from a mitigation activity that is included in the host Party's NDC, when those emission reductions are transferred internationally to be used in the acquiring Party's NDC.
88. This guidance does not apply to emission reductions under the mechanism established by the article 6 paragraph 4, if the mitigation activity is not included in the host Party's NDC.

**Option D {forwarding based}**

89. This guidance is not applicable to the initial forwarding of certified emission reductions from the Article 6, paragraph 4, mechanism registry.
90. Section X (Corresponding adjustment) of this guidance/this guidance [shall][should] apply to any subsequent international transfer of certified emission reductions between registries/national accounts in the multilateral registry through the international transaction log.

**Option E {underlying emission reduction based}**

91. Section X (Corresponding adjustment) of this guidance/this guidance applies to the use by one Party of an emission reduction from the mechanism established in Article 6, paragraph 4 for the achievement of its NDC and the use of the underlying emission reduction by the host Party reflected in the calculation of its GHG inventory.

**Option F {national allowances-based}**

92. This guidance [shall][should] apply to emission reductions issued under the mechanism established by Article 6, paragraph 4. A Party with an absolute emission limitation or reduction target in its NDC may then transfer an equivalent quantity of national allowances.

## **XIII. Infrastructure**

### **A. Registry requirements {see work plan for 2019}**

**Option A {registries}**

93. Each participating Party [shall][should] have or have access to a registry that meets the requirements of decisions of the CMA relating to this guidance.
94. Each participating Party to ensure that its registry is capable of:
- (a) Creating and, where applicable, issuing ITMOs/units;
  - (b) Determining a unique serial number for each ITMO/unit;
  - (c) First/only transfer of ITMOs/units;
  - (d) Subsequent transfer of ITMOs/units;
  - (e) Acquiring ITMO/units;
  - (f) Demonstrating that ITMOs/units have been used towards achievement of an NDC (e.g. through cancelling or retiring ITMOs);
  - (g) Ensuring the avoidance of double counting.

**Option A1 {no further requirements in relation to registry beyond Option A}**

*{no further text required}*

**Option A2 {all potential elements of Option A, plus all further elements below}**

95. Each registry [shall][should] have the following national accounts: issuance, holding, transfer, acquisition, cancellation, retirement, and share of proceeds, and maintains a link to the mechanism registry.
96. The secretariat [shall] maintain a multilateral registry for Parties that do not have a registry or do not have access to a registry, that has the functionality and range of account types listed above.
97. The secretariat [shall] ensure the multilateral registry is capable of providing national accounts for issuance, holding, transfer, acquisition, cancellation, retirement, and share of proceeds.

**Option A3 {all potential elements of Option A and A2, plus further element below}**

98. A cancellation account for overall mitigation in global emissions.

**Option B {distributed ledger}**

99. Each participating Party [shall][should] have or have access to a distributed ledger that meets the requirements of the decisions of the CMA relating to this guidance.

**Option C {no guidance required as no registry/registries or distributed ledger required as reporting is the basis for tracking ITMOs/units}**

{no text required}

**B. International transaction log/centralized accounting database/distributed ledger** {see work plan for 2019}

**Option A {international transaction log}**

100. The secretariat [shall][should] establish and maintain an international transaction log capable of recording the information set out in decisions of the CMA relating to this guidance.
101. Each participating Party [shall][should] ensure that its registry is capable of connection to the international transaction log.

**Option B {database}**

102. The secretariat [shall][should] establish and maintain a database to record summaries of transfers, acquisitions and holdings consistent with decisions of the CMA relating to this guidance.

**Option C {distributed ledger}**

103. The secretariat/X [shall][should] establish and maintain a distributed ledger that is accessible to all participating Parties, consistent with decisions of the CMA relating to this guidance.

**Option D {no guidance required as no such infrastructure required, as reporting required}**

{no text required}

**Option E {combination of Options A, B, and/or C}**

## **XIV. Safeguards**

**A. Uses for purposes other than towards achievement of nationally determined contributions**

104. An ITMO:

**Option A {allow non-NDC uses}**

- (a) Can be used for purposes other than towards the towards achievement of NDCs;

**Option B {not allow non-NDC uses}**

- (b) Cannot be used for purposes other than towards the towards achievement of NDCs;

105. An ITMO [shall][should] not be used towards achievement of an NDC where it has been or is intended to be used {potential list below}:

- (a) Towards international mitigation action outside the UNFCCC;
- (b) Towards voluntary climate actions that are not mandatory in the relevant jurisdiction;
- (c) As a means of demonstrating climate finance provided pursuant to Article 9.

106. Parties [shall][should] make a corresponding adjustment for ITMOs used for purposes other than towards achievement of NDCs, consistent with:

**Option A {make a corresponding adjustment for all as per this guidance}**

- (a) Section X (Corresponding adjustment);

**Option B {only make a corresponding adjustment where from within NDC}**

- (b) Section X (Corresponding adjustment), where the ITMOs are from the sectors/greenhouse gases covered by the NDC.

**B. Limits**

**1. Limits on creation and first/only transfer**

**Option A {limits on creation, transfer and acquisition} {potential list below}**

107. A Party [shall][should] create and first/only transfer ITMOs in a manner that avoids fluctuations in the prices and quantities available in the international market for ITMOs {further text needed}.
108. Compulsory limitation of tradable units [shall][should] be exclusively used for retirement purposes.
109. A Party [shall][should] not create or first/only transfer ITMOs where the ITMOs have been achieved in sectors that have a high degree of uncertainty {further text needed}.
110. A Party [shall][should] not first/only transfer any quantity of ITMOs over the reporting period/NDC implementation period that is greater than X per cent of its quantified budget of allowable emissions for that reporting period/NDC implementation period.
111. A Party [shall][should] maintain a holding balance equal to X per cent of its mitigation target for that reporting period/NDC implementation period throughout the reporting period/NDC implementation period.
112. A Party [shall][should] maintain a minimum level of allowable emissions in the NDC time frame reserve.
113. A Party's balance for the reporting period/NDC implementation period [shall][should] not exceed X per cent of its actual emissions and to not exceed emission levels for the reporting period/NDC implementation period that are consistent with NDC achievement.
114. A Party to not participate in the following types of transfers {further text needed}.
115. An ITMO may be transferred only once.
116. A Party [shall][should] ensure that there is no secondary trading of ITMOs and that speculative trading is avoided {further text needed}.

**Option B {no limits on creation, transfer or acquisition}**

{no text required}

**2. Limits on use towards achievement of nationally determined contributions**

**Option A {limits on use} {potential list below}**

117. A Party's use of ITMOs towards achievement of its NDC [shall][should] be supplemental to domestic action and domestic action [shall][should] constitute a significant element of the effort made by each Party towards achievement of its NDC.
118. A Party [shall][should] not use any quantity of ITMOs towards achievement of its NDC that is greater than X per cent of the actual emissions of that Party calculated for the reporting period/NDC implementation period.
119. A Party [shall][should] not use towards achievement of its NDC any mitigation outcome a period outside the NDC period.
120. A Party [shall][should] not use pre-2020 units/ITMOs towards achievement of its NDC.
121. A Party [shall][should] not bank/carry over ITMOs exceeding X from one reporting period/NDC implementation period to a subsequent reporting period/NDC implementation period.
122. A Party may carry over a quantity of ITMOs achieved in one reporting period/NDC implementation period to a subsequent reporting period/NDC implementation period equal to a maximum of X per cent of the actual emissions calculated for the reporting period/NDC implementation period.
123. An ITMO [shall][should] only be used by a Party towards achievement of its NDC or voluntarily cancelled.

**Option B {no limits on use}**

{no text required}

## **XV. Overall mitigation in global emissions in context of Article 6, paragraph 2**

### **Option A {overall mitigation in global emissions requirement}**

124. Overall mitigation in global emissions [shall][should] be implemented in the context of Article 6, paragraph 2 as follows:

#### **Option A1 {automatic cancellation}**

- (a) On the basis of an automatic cancellation as follows:
  - (i) Overall mitigation in global emissions [shall][should] be achieved by ensuring some ITMOs are not used by either creating or acquiring Party towards achievement of its NDC;
  - (ii) At the time of issuance/first transfer of ITMOs, registry [shall][should] transfer X per cent of ITMOs to the cancellation account for overall mitigation consistent with section XIII;
  - (iii) Transferring Party [shall][should] make a corresponding adjustment for the full amount of ITMOs created/issued/supplied for first transfer/only transfer;
  - (iv) Acquiring/using Party [shall][should] make a corresponding adjustment for the amount of ITMOs acquired/used;
  - (v) The cancelled ITMOs [shall][should] not be used for any further transfer or purpose, including use by any Party towards achievement of its NDC or voluntary cancellation;

#### **Option A2 {discounting by Parties}**

- (b) On the basis of a discounting by Parties as follows:
  - (i) Overall mitigation in global emissions [shall][should] be achieved by ensuring some ITMOs are not used by either creating or acquiring Party towards achievement of its NDC;
  - (ii) Prior to first international transfer, creating Party [shall][should] make a corresponding adjustment for the full amount of ITMOs to be first transferred;
  - (iii) Acquiring/using Party [shall][should] make a corresponding adjustment for the full amount of ITMOs acquired/used, discounted by X percent.
  - (iv) The discounted volume of ITMOs [shall][should] be transferred to the cancellation account for the overall mitigation of global emissions by the acquiring/using Party.
  - (v) The discounted volume of ITMOs [shall][should] not be used for any further transfer or purpose, including use by any Party towards achievement of its NDC.

#### **Option A3 {using Party to discount prior to use towards achievement of its NDCs}**

125. The using Party [shall][should] discount by X per cent the total quantity of ITMOs acquired prior to use towards achievement of its NDC.

### **Option B {no overall mitigation in global mitigation requirement}**

{no text required}

## **XVI. Share of proceeds for adaptation**

### **Option A {share of proceeds}**

126. Cooperative approaches [shall][should] deliver a share of proceeds to be used to assist developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation.
127. The share of proceeds [shall][should] be collected in respect of:

#### **Option A1 {where activities are similar to Article 6, paragraph 4 mitigation activities}**

- (a) cooperative approaches that are baseline and crediting approaches that are similar to mitigation activities under the mechanism established by Article 6 paragraph 4;

#### **Option A2 {crediting approaches}**



- (b) crediting approaches implemented by Parties.

**Option A3 {all approaches}**

- (c) all cooperative approaches;

**Option A4 {ITMO acquisitions}**

- (d) all acquisition of ITMOs

*{end of Option A3}*

128. The share of proceeds [shall][should] be set at and levied at *{potential list below}*:

**Option A1 {varying rates of SOP}**

- (a) X per cent/5 per cent/an increasing per cent/a diminishing per cent of the amount of ITMOs transferred/used towards achievement of an NDC;

**Option A2 {increasing rate over time at transfer}**

- (b) X percent at first/only transfer, increasing by Y percent at each subsequent transfer;

**Option A3 {consistent with Article 6, paragraph 6, for the mechanism established by Article 6, paragraph 4}**

- (c) Consistent with the share of proceeds pursuant to Article 6, paragraph 6, for the mechanism established by Article 6, paragraph 4.

129. The share of proceeds [shall][should] be *{potential list below}*:

- (a) Collected by the creating/issuing Party at the first/only international transfer of ITMOs and/or collected by a Party using ITMOs towards achievement of its NDC;
- (b) Transferred by the creating/issuing Party to the Adaptation Fund;
- (c) Collected by the acquiring Party at each ITMO transfer and transferred to the Adaptation Fund.

**Option B {no share of proceeds}**

*{no text required}*

## **XVII. Adaptation ambition**

130. Mitigation co-benefits of adaptation action, including economic diversification *{further text needed}*.

131. To allow for higher ambition in adaptation, participants are allowed to issue, transfer, acquire and use ITMOs resulting from the mitigation co-benefits resulting from Parties' adaptation actions and/or economic diversification plans.

## **XVIII. Addressing negative social and economic impacts, Article 4, paragraph 15**

132. The secretariat [shall][should] collaborate with the forum on the impact of the implementation of response measures (referred to in paragraph 33 of Decision 1/CP.21) to address negative social and economic impacts, especially those impacting developing countries, resulting from activities related to Article 6, paragraph 2, by the undertaking the following actions:

- (a) Assessing and identifying the negative social and economic impacts resulting from activities related to Article 6.2, including the cumulative impact of these activities;
- (b) Developing, implementing and regularly updating measures to address the negative social and economic impacts resulting from activities related to Article 6.2, including the cumulative impact of these activities;
- (c) Regular sharing of information with the forum on the impact of the implementation of response measures (referred to in paragraph 33 of Decision 1/CP.21) to support the above activities.



## Annex II

### Draft containing draft work plan of follow-up work to be carried out in 2019

1. *Requests* the Subsidiary Body for Scientific and Technological Advice (SBSTA) to undertake the following work and develop recommendations for a draft decision for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) at its second session (2019).

#### I. Preamble {no element for work plan for 2019}

#### II. Principles {no element for work plan for 2019}

#### III. Scope {no element for work plan for 2019}

#### IV. Purpose {no element for work plan for 2019}

#### V. Definitions {no element for work plan for 2019}

#### VI. Internationally transferred mitigation outcomes {no element for work plan for 2019}

#### VII. Governance

##### A. Role of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement {no element for work plan for 2019}

##### B. Oversight arrangements {no element for work plan for 2019}

##### C. Review

###### 1. Ex-ante review

Option A {ex-ante review by the 6.2 body} and

Option B {ex ante review by Article 6 expert review} and

Option E {ex-ante review by the Article 6 body}

2. *Requests* the SBSTA to develop recommendations on the implementation of the ex-ante review for consideration and adoption by the CMA at its second session.

###### 2. Periodic and ex-post review

Option A {periodic and/or ex-post review}

Option A1 {review by the 6.2 body} {potential list below}

3. *Requests* the SBSTA to develop recommendations on the functions of the 6.2 body in reviewing the information for consistency with this guidance, for consideration and adoption by the CMA at its second session, on the basis of the following possible elements {potential list below}:

- (a) Standards and methodologies used in the cooperative approach;
- (b) Whether the Party has used approved methodologies and baseline approaches for cooperative approaches that are no less rigorous than similar methodologies and baseline approaches approved under the mechanism established by Article 6, paragraph 4;

- (c) Review the information submitted by the Party through comparison and cross-checking of information submitted.
- 4. *Requests* the SBSTA to develop recommendations on the functions of the 6.2 body to oversee the correction of accounting/corresponding adjustment errors identified with regard to ITMOs used towards achievement of its NDC for consideration and adoption by the CMA at its second session.
- 5. *Requests* the SBSTA to develop recommendations on functions of the 6.2 body following its review, in relation to its role to determine whether the Party's participation in cooperative approaches is consistent with the guidance, for consideration and adoption by the CMA at its second session.
- Option A2 {review conducted by Article 13 technical expert review} {potential list below}**
- 6. *Requests* the SBSTA to develop recommendations on the functions of the technical expert review, in reviewing the information for consistency with this guidance as referred to in the modalities, procedures and guidelines for Article 13 relating to Article 13, paragraph 7(b) *{the MPGs to refer to this guidance for required Article 6 information}*, for consideration and adoption by the CMA at its second session,
- 7. *Requests* the SBSTA develop recommendations on the functions of the technical expert review to provide assurance, for consideration and adoption by the CMA at its second session;
- 8. *Requests* the SBSTA to develop recommendations on the functions of the technical expert review to submit its review for consideration by the committee referred to in Article 15, paragraph 2 for consideration and adoption by CMA at its second session.
- Option A3 {review conducted by Article 6 technical expert review}**
- 9. *Requests* the SBSTA to develop recommendations on the composition and terms of reference for the Article 6 expert review for consideration and adoption by the CMA at its second session.
- 10. *Requests* the SBSTA to develop recommendations on *{potential list above in Option A2}*
- Option A4 {combination of Option A1 and Option A2/A3} {potential list above in Option A1 and Option A2}**
- Option A5 {review conducted by the Article 13 technical expert review, but not necessarily sent to Article 15 committee} {new option resulting from additions made into the May informal note},**
- 11. *Requests* the SBSTA to develop recommendations on the functions of the technical expert review, in reviewing the information for consistency with the guidance for consideration and adoption by CMA 2;
- 12. *Requests* the SBSTA develop recommendations on the functions of the technical expert review to provide assurance, for consideration and adoption by CMA;

#### **D. Role of the secretariat** *{further development may be required for implementation}*

- 13. *Requests* the SBSTA to develop recommendations on the functions of the secretariat on the basis of the following possible functions for consideration and adoption by the CMA at its second session:
  - (a) Maintain a database as outlined in section XIV (Infrastructure);
  - (b) Maintain a multilateral registry for Parties that do not wish to have their own registry;
  - (c) Administer an international transaction log to record, validate and verify transactions, including creation and first/only transfers, transfers, acquisition, and use towards achievement of an NDC of ITMOs;
  - (d) Administer an international transaction log to record, validate and verify transactions, including transfers and acquisitions;
  - (e) Compile and cross-reference information and check information submitted on corresponding adjustments;
  - (f) Make available information to the public on *{further development may be required for implementation}*;
  - (g) Provide capacity-building to Parties to facilitate their participation in cooperative approaches.
  - (h) *Requests* the SBSTA to develop recommendations on the reporting functions of the secretariat based on the following possible functions below or consideration and adoption by the CMA at its second session:

- (i) Annually to the CMA on the share of proceeds collected pursuant to section XVI (Share of proceeds);
- (ii) Annually to the CMA on the overall mitigation in global emissions achieved pursuant to section XV.A (Overall mitigation in global emissions);
- (iii) On progress made by Parties in implementing and achieving NDCs, based on the information contained in the centralized accounting database;
- (iv) On progress made by Parties in implementing and achieving NDCs, based on the information contained in the national registries or multilateral registry and the international transaction log.

## **E. Role of other actors**

- 14. *Requests* the SBSTA to develop recommendations for implementation of the role of other actors, for consideration and adoption by the CMA at its second session.

## **VIII. Participation requirements and responsibilities** *{no element for work plan for 2019}*

## **IX. Reporting**

### **A. Ex-ante reporting**

- 15. *Requests* the SBSTA to develop recommendations on the implementation of ex-ante reporting requirements contained in section IX.A of the guidance for consideration and adoption by the CMA at its second session.

### **B. Periodic and ex-post Party reporting**

- 16. *Requests* the SBSTA to develop recommendations on the information each participating Party [shall][should] provide pursuant to section IX.B of the guidance, for consideration and adoption by the CMA at its second session.

## **X. Corresponding adjustment**

### **A. ITMO information**

#### **1. Recording ITMO information**

##### **Option A** *{Parties record all ITMO information using}*

##### **Option A1** *{ITL maintained pursuant to section XIII }*

- 17. *Requests* the SBSTA to develop recommendations on the development and implementation of an international transaction log for consideration and adoption by the CMA at its second session.

##### **Option A2** *{central registry maintained pursuant to section XIII }*

- 18. *Requests* the SBSTA to develop recommendations on the development and implementation of a standard reporting table/format for consideration and adoption by the CMA at its second session.

##### **Option A3** *{registries (no standards or minimum standards) – standards in section XIII}*

- 19. *Requests* the SBSTA to develop recommendations on the centralized accounting database to record summaries of transfers, acquisitions and holdings for consideration and adoption by the CMA at its second session.

#### **2. Reporting ITMO information**

- 20. *Requests* the SBSTA to develop recommendations on the Article 6, paragraph 2 electronic tabular format for consideration and adoption by the CMA at its second session.

## **B. Operationalizing the corresponding adjustment**

21. *Requests* the SBSTA to develop recommendations on the consolidation of the information contained in the electronic tabular formats submitted by a Party into a centralized accounting database by the secretariat for consideration and adoption by the CMA at its second session.

## **C. Article 6, paragraph 2, corresponding adjustment**

## **D. Application of corresponding adjustment**

22. *Request* the SBSTA to develop recommendations on the operationalisation of the basis, application and timing of corresponding adjustments, consistent with section X of this guidance and taking into account the elements set out below, for consideration and adoption by the CMA at its second session:

### **Option A {Parties make a corresponding adjustment for first transfer and use}**

#### **Option A1 {budget-based}**

- (a) Effect a subtraction for all ITMOs/ITMOs created and transferred for the first/only time.
- (b) Effect an addition for all ITMOs/ITMOs used towards achievement of its NDC.

#### **Option A2 {emissions-based}**

- (c) Effect an addition for all ITMOs/ITMOs created and transferred for the first/only time.
- (d) Effect a subtraction for all ITMOs/ITMOs used towards achievement of its NDC.

#### **Option A3 {buffer registry based}**

- (e) Effect an addition for all ITMOs/ITMOs created and transferred for the first/only time through accounting under Article 4.13;
- (f) Effect a subtraction for all ITMOs/ITMOs used towards achievement of its NDC through accounting under Article 4.13.

#### **Option A4 {emission reductions based}**

- (g) Effect a subtraction for all ITMOs/ITMOs created and transferred for the first/only time.
- (h) Effect an addition for all ITMOs/ITMOs used towards achievement of its NDC.

### **Option B {Parties make a corresponding adjustment for transfers and acquisitions}**

#### **Option B1 {budget-based}**

- (i) Effect a subtraction for all ITMOs/ITMOs transferred.
- (j) Effect an addition for all ITMOs/ITMOs acquired.

#### **Option B2 {emissions-based}**

- (k) Effect an addition for all ITMOs/ITMOs transferred.
- (l) Effect a subtraction for all ITMOs/ITMOs acquired.

#### **Option B3 {buffer registry-based}**

- (m) Effect an addition for all ITMOs/ITMOs transferred.
- (n) Effect a subtraction for all ITMOs/ITMOs acquired.

#### **Option B4 {emission reductions based}**

- (o) Effect a subtraction for all ITMOs/ITMOs transferred.
- (p) Effect an addition for all ITMOs/ITMOs acquired.

{end of Option B4}

## **E. Use of ITMOs towards NDCs**

23. *Request* the SBSTA to develop recommendations on the operationalisation of the submission, compilation and comparison of the information submitted by participating Parties for consideration and adoption by the CMA at its second session.

## **XI. Specific guidance**

### **A. Sectors/greenhouse gases etc.**

24. *Requests* the SBSTA to develop recommendations for the implementation of the guidance relating to sectors/greenhouse gases for consideration and adoption by the CMA at its second session.

### **B. Single-year nationally determined contributions**

25. *Requests* the SBSTA to develop recommendations for the implementation of the guidance for single year NDCs, on the basis of the following possible elements, for consideration and adoption by the CMA at its second session:

#### **Option A {single-year vintage creation and authorised first transfer only}**

##### **Option A1 {where the corresponding adjustment is for creation, first/only transfer and use}**

- (a) A Party [shall][should] only create, first/only transfer and use towards achievement of its NDC ITMOs that were achieved in the same year as its single-year NDC.

##### **Option A2 {where the corresponding adjustment is for transfer and acquisition}**

- (b) A Party [shall][should] only transfer and acquire ITMOs that were achieved in the same year as its single-year NDC.

#### **Option B {cumulative corresponding adjustments}**

##### **Option B1 {where the corresponding adjustment is for creation, first/only transfer and use}**

- (c) A Party that creates and first/only transfers ITMOs [shall][should] make a corresponding adjustment in the single year for the total amount of ITMOs created and first/only transferred over the NDC implementation period and a Party that uses ITMOs towards achievement of its NDC [shall][should] make corresponding adjustment in the single year for the total amount of ITMOs used over the NDC implementation period.

##### **Option B2 {where the corresponding adjustment is for transfer and acquisition}**

- (d) A Party that transfers and acquires ITMOs achieved in the years of its NDC implementation period [shall][should] make a corresponding adjustment in the single year of its NDC for the total amount of ITMOs transferred/acquired over the entire NDC implementation period.

#### **Option C {comparison to a trend that would be consistent with NDC achievement}**

##### **Option C1 {where the corresponding adjustment is for creation, first/only transfer and use}**

- (e) A Party [shall][should] calculate a trajectory in relation to emissions for the NDC implementation period that is consistent with the achievement of its NDC in the single year and to make a corresponding adjustment for each year of the NDC implementation period equal to the total amount of ITMOs that it creates and first/only transfers and/or uses towards achievement of its NDC.

##### **Option C2 {where the corresponding adjustment is for transfer and acquisition}**

- (f) A Party [shall][should] calculate a trajectory in relation to emissions for the NDC implementation period that is consistent with the achievement of its NDC in the single year and to make a corresponding adjustment for each year of the NDC implementation period equal to the total amount of ITMOs that it transfers and acquires in each year of the NDC implementation period.

#### **Option D {averaging, including average per cooperative approach}**

##### **Option D1 {where the corresponding adjustment is for creation, first/only transfer and use}**

- (g) A Party [shall][should] calculate the average quantity of ITMOs that it creates, first/only transfers and uses towards achievement of its NDC by dividing the total ITMOs by the number of years of the NDC

implementation period, including after averaging per cooperative approach, if applicable. The Party [shall][should] then make a corresponding adjustment for the average amount of ITMOs in the single year of its NDC.

**Option D2 {where the corresponding adjustment is for transfer and acquisition}**

- (h) A Party [shall][should] calculate the average quantity of ITMOs that it transfers and acquires by dividing the total ITMOs by the number of years of the NDC implementation period, including after averaging per cooperative approach, if applicable. The Party [shall][should] then make a corresponding adjustment for the average amount of ITMOs in the single year of its NDC.

**Option E {representative corresponding adjustments}**

**Option E1 {where the corresponding adjustment is for creation, first/only transfer and use}**

- (i) A Party [shall][should] identify all ITMOs that it creates, first/only transfers and uses towards achievement of its NDC and make a corresponding adjustment in the single year for an amount that is representative of the amount of ITMOs created, first/only transferred and used towards achievement of its NDC.

**Option E2 {where the corresponding adjustment is for transfer and acquisition}**

- (j) A Party [shall][should] identify all ITMOs that it transfers and acquires in each year of its NDC implementation period and make a corresponding adjustment in the single year for an amount that is representative of the amount of ITMOs that it transfers and acquires in each year of its NDC implementation period.

**Option F {reporting consistent with this guidance, periodically}**

**Option F1 {where the corresponding adjustment is for creation, first/only transfer and use}**

- (k) A Party [shall][should] make a corresponding adjustment for all ITMOs that it creates, first/only transfers and uses towards achievement of its NDC, consistent with the reporting requirements in this guidance.

**Option F2 {where the corresponding adjustment is for transfer and acquisition}**

- (l) A Party [shall][should] make a corresponding adjustment for all ITMOs that it transfers and acquires, consistent with the reporting requirements of this guidance.

**Option G {no specific guidance}**

{no text required}

## **C. Multi-year nationally determined contributions**

26. *Requests* the SBSTA to develop recommendations on requirements for a corresponding adjustment for a Party with a multi-year NDC, on the basis of the following elements, for consideration and adoption by the CMA at its second session:

**Option A {specific guidance on multi-year NDC}**

27. The Party [shall][should] make a corresponding adjustment for the total amount of ITMOs:

**Option A1 {where the corresponding adjustment is for creation, first/only transfer and use}**

- (a) Created, first/only transferred and used towards achievement of its NDC over the NDC period;

**Option A2 {where the corresponding adjustment is for transfer and acquisition}**

- (b) Transferred and acquired over the NDC period.

**Option B {no specific guidance}**

{no text required}

## **D. Pre-2020/2021 units/internationally transferred mitigation outcomes**

28. *Requests* the SBSTA develop recommendations on the treatment of pre-2020 units/ITMOs taking into account the following options, for consideration and adoption by the CMA at its second session:



**Option A {use of pre-2020/2021 units/ITMOs, corresponding adjustment for creating and using Party}**

- (a) Where a Party is using pre-2020/2021 units/ITMOs towards achievement of its NDC, both the creating Party and the using Party [shall][should] make a corresponding adjustment consistent with section X (Corresponding adjustment).

**Option B {use of pre-2020/2021 units/ITMOs, corresponding adjustment only for using Party}**

- (b) The Party using pre-2020/2021 units/ITMOs towards achievement of its NDC [shall][should] make a corresponding adjustment consistent with section X (Corresponding adjustment).

**Option C {no use of pre-2020/2021 units}**

- (c) No Party [shall][should] use pre-2020/2021 units/ITMOs towards achievement of its NDC.  
{end of Option C}

**Option D {ITL} {an option that results from the May Informal Note}**

- (d) Implementation of the corresponding adjustment through the international transaction log, including recommendations relating to invitations to the CMP, where appropriate.

## **XII. Application of this guidance to emission reductions certified under the mechanism established by Article 6, paragraph 4**

29. *Requests* the SBSTA to develop recommendations for implementation of the guidance in relation to emission reductions certified under the mechanism established by Article 6, paragraph 4, for consideration and adoption by the CMA at its second session.

## **XIII. Infrastructure**

### **A. Registry requirements**

**Option A {registries} {potential list below}**

30. *Requests* the SBSTA to develop recommendations on the implementation of the requirements for registries for consideration and adoption by the CMA at its second session.

**Option B {distributed ledger}**

31. *Requests* the SBSTA to develop recommendations on the requirements for distributed ledgers for consideration and adoption by the CMA at its second session.

### **B. International transaction log/centralized accounting database/distributed ledger**

**Option A {international transaction log}**

32. *Requests* the SBSTA to develop recommendations on the development and implementation of an international transaction log for consideration and adoption by the CMA at its second session.

**Option B {database}**

33. *Requests* the SBSTA to develop recommendations on the database to record summaries of transfers, acquisitions and holdings, on the basis of the following possible elements for consideration and adoption by the CMA at its second session:
- (a) The information on the scope and ‘NDC quantity’ in CO<sub>2</sub> equivalent;
  - (b) The information on its current level of emissions and removals covered by its NDC;
  - (c) The accounting balance determined consistent with guidance on the basis of reported emission and removals covered by each participating Parties NDC;
  - (d) The corresponding adjustments to the accounting balances of participating Parties consistent with guidance on corresponding adjustment, in respect of emissions and removals covered by the NDCs of the participating Parties, and based on reported ITMOs by those Parties.

**Option C** {*distributed ledger*}

34. *Requests* the SBSTA to develop recommendations on the development and implementation of a distributed ledger for consideration and adoption by the CMA at its second session.

**Option D** {*no guidance required as no such infrastructure required, as reporting required*}

{*no text required*}

**XIV. Safeguards** {*no work plan elements*}

**XV. Overall mitigation in global emissions in context of Article 6,  
paragraph 2** {*no work plan elements*}

**XVI. Share of proceeds for adaptation** {*no work plan elements*}

**XVII. Adaptation ambition** {*no work plan elements*}

**XVIII. Addressing negative social and economic impacts, Article 4,  
paragraph 15** {*no work plan elements*}

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**DRAFT TEXT**

**on**

**SBSTA 48-2 agenda item 12(b)**

**Matters relating to Article 6 of the Paris Agreement:**

**Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement**

**Version 1 of 9 September 02:00 hrs**

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**Draft CMA decision containing the draft rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement**

**I. Preamble**

**Option A** *{list of preambular paragraphs}*

**Option B** *{list of preambular paragraphs, including principles}*

*{see section II, Option A (Principles), in Annex I below for list of potential principles}*

**Option C** *{no list of preambular paragraphs}*

*{no text is required}*

*{end of Option C}*

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

1. *[Placeholder for adoption of Annex I to this decision {see Annex I}];*
2. *Requests* the Subsidiary Body for Scientific and Technological Advice (SBSTA) to undertake the following work *{see Annex II}* and develop recommendations for a draft decision for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) at its second session (2019);
3. *[Placeholder for welcoming election of the first members of the body that supervises the mechanism established by Article 6, paragraph 4, of the Paris Agreement (“the Article 6 mechanism”)];*
4. *[Placeholder for start date of Supervisory Body and any work for the Supervisory Body {see Annex II}];*
5. *[Placeholder for review of the rules, modalities and procedures at X future date];*

## Annex I

### **Draft rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement**

#### **I. Preamble** *{see draft CMA adopting decision}*

#### **II. Principles**

##### **Option A** *{list of principles}*

1. The following principles [shall][should] guide the implementation of the mechanism established by Article 6, paragraph 4, of the Paris Agreement (hereinafter referred to as the mechanism) *{potential list below}*:

- (a) The mechanism [shall][should] contribute to the objectives of the Paris Agreement as referred to in its Article 2;
- (b) In accordance with Article 6, paragraph 4(a), the mechanism [shall][should] aim to promote the mitigation of greenhouse gas emissions while fostering sustainable development;
- (c) In accordance with Article 6, paragraph 4(b), the mechanism [shall][should] aim to incentivize and facilitate participation in the mitigation of greenhouse gas emissions by public and private entities authorized by a Party;
- (d) Pursuant to the aim set out in Article 6, paragraph 4(b), the mechanism [shall][should] aim to incentivize and facilitate the long-term engagement in the mechanism of Parties and public and private entities authorized by them;
- (e) In accordance with Article 6, paragraph 4(c), the mechanism [shall][should] aim to contribute to the reduction of emission levels in the host Party, which will benefit from mitigation activities resulting in emission reductions that can also be used by another Party to fulfil its nationally determined contribution (NDC);
- (f) In accordance with Article 6, paragraph 4(d), the mechanism [shall][should] aim to deliver an overall mitigation in global emissions;
- (g) Pursuant to the preamble to the Paris Agreement, the mechanism [shall][should] respect, promote and consider Parties' respective obligations on human rights;
- (h) Pursuant to Article 3, the mechanism should support the progression of each participating Party's efforts over time;
- (i) Pursuant to Article 4, paragraph 3, the mechanism should support progression in successive NDCs of participating Parties;
- (j) Pursuant to Article 4, paragraph 15, Parties [shall][should] take into consideration the concerns of Parties with economies most affected by the impacts of response measures, particularly developing country Parties, when participating in the mechanism;
- (k) The mechanism and its rules, modalities and procedures [shall][should] ensure the environmental integrity of the mechanism;
- (l) The mechanism allows for higher ambition of participating Parties in their mitigation and adaptation actions;
- (m) The mechanism [shall][should] ensure that participation by a Party, and any public or private entities authorized by it, in the mechanism is consistent with the mitigation objectives of that Party;
- (n) The mechanism [shall][should] ensure consistency with Article 3 and Article 4, paragraphs 3 and 4, including by preventing perverse incentives for not progressing towards economy-wide targets and not progressing beyond the Party's then current NDC;

- (o) The mechanism [shall][should] prevent perverse incentives for participating Parties not to authorize mitigation activities that deliver real, measurable and long-term benefits and emission reductions that are additional;
- (p) The mechanism [shall][should] prevent perverse incentives for participating Parties not to engage in a manner that is consistent over the long term and that provides predictability and a stable investment signal for public and private entities participating in the mechanism;
- (q) Participating Parties [shall][should] avoid unilateral measures that constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade;
- (r) The implementation of the mechanism [shall][should] be transparent;
- (s) Any Party may voluntarily participate in the mechanism, notwithstanding the type of its NDC;
- (t) All types of mitigation activity may be considered for registration under the mechanism;
- (u) Host Parties [shall][should] make own benefit contribution;
- (v) The equitable geographic distribution of activities [shall][should] be ensured;
- (w) The special circumstances of least developing countries and small island developing States [shall][should] be reflected;
- (x) In accordance with Article 6, paragraph 5, emissions reductions from the mechanism [shall][should] not be used to demonstrate achievement of the host Party's NDC if used by another Party to demonstrate achievement of its NDC;
- (y) In accordance with Article 6, paragraph 6 a share of proceeds from activities under the mechanism [shall][should] be used to cover administrative expenses as well as to assist developing countries that are particularly vulnerable to the adverse effect of climate change to meet the costs of adaptation.

**Option B {no principles}**

{no text required}

### III. Definitions {at SBSTA 48.1 Parties agreed to return to definition section when the content of the rules, modalities and procedures is more settled}

- 2. {Placeholder for the definitions as per document SBSTA48.Informal.6.v2ed<sup>1</sup>, the "May informal note"}

## IV. Scope and purpose

### A. Scopes of activities

- 3. The following mitigation is included within the scope of the mechanism: {potential list below}:
  - (a) Emission reductions;
  - (b) Emission removals;
  - (c) Emissions avoided;
  - (d) A full spectrum of mitigation activities, including mitigation co-benefits of adaptation actions and/or economic diversification plans.
- 4. The following types of mitigation activity may be registered as Article 6, paragraph 4, activities {potential list below}:

**Option A {projects and programmes}**

- (a) Projects;
- (b) Programmes of activities;

<sup>1</sup> <https://unfccc.int/documents/181520>.

**Option B {projects, programmes, sectoral, other types approved}**

- (c) Projects;
- (d) Programmes of activities;
- (e) Sectoral approaches;
- (f) Other types approved by the Supervisory Body;

**Option C {Option B (a) to (d) plus other programmes} {text from Option B (a) to (d)}**

- (g) Activities under non-UNFCCC programmes.

{end of Option C}

5. An A6.4ER [shall][should] be:

**Option A {equal to one metric tonne}**

- (a) Equal to one metric tonne of carbon dioxide equivalent (CO<sub>2</sub>e);

**Option B {in tonnes of CO<sub>2</sub>e and other metrics}**

- (b) In tonnes of CO<sub>2</sub>e and other metrics.

{end of Option B}

6. An A6.4ER [shall][should] be calculated {potential list below}:

- (a) In accordance with the methodologies and common metrics assessed by the IPCC and adopted by the COP/CMA;
- (b) Using global warming potentials assessed/recommended by the IPCC and adopted by the COP/CMA;

7. An A6.4ER [shall][should] be issued in respect of mitigation:

**Option A {achieved on or after 1 January 2020/2021}**

- (a) Achieved on or after 1 January 2020/2021.

**Option B {no time limitation}**

{no text required}

**B. Scope of rules, modalities and procedures {see also work plan for 2019}**

**Option A {special circumstances of LDCs and SIDS}**

8. In relation to the least developed countries and small island developing States, the special circumstances of the least developed countries and small island developing States as set out in Article 4, paragraph 6, [shall][should] be recognized where these rules, modalities and procedures relate to NDCs.

**Option B {no special circumstances}**

{no text is required}

**C. Purpose of rules, modalities and procedures**

9. The purpose of these rules, modalities and procedures is to set out {potential list below}:

- (a) Key requirements and processes for the operation of the mechanism;
- (b) How each Party may use emission reductions resulting from Article 6, paragraph 4, activities towards achievement of its NDC pursuant to Article 6, paragraphs 4(b) and 5.

**D. Purpose/aims of the mechanism** {draft text needed}

**V. Role of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement**

10. The CMA has authority over the mechanism and may provide guidance on the mechanism.
11. The CMA [shall][should] provide guidance to the Supervisory Body by taking decisions on {potential list below}:
  - (a) The recommendations made by the Supervisory Body on its rules of procedure;
  - (b) The recommendations made by the Supervisory Body in accordance with these rules, modalities and procedures and relevant decisions of the CMA;
  - (c) Grievance and redress processes;
  - (d) Any matters relating to the operation of the mechanism, as appropriate.
12. The CMA [shall][should]:

**Option A {CMA is the body of appeal}**

- (a) Consider appeals against decisions of the Supervisory Body in accordance with decisions of the CMA relating to these rules, modalities and procedures.

**Option B {CMA is not the body of appeal}**

{no text required}

13. The CMA [shall][should] review these rules, modalities and procedures periodically/ by no later than {X date}, on the basis of recommendations from X.

**VI. Supervisory Body**

14. The Supervisory Body supervises:

**Option A: {the mechanism}**

- (a) The mechanism established by Article 6, paragraph 4;

**Option B {Article 6}**

- (b) Article 6 voluntary cooperation. Its supervision of the mechanism established by Article 6, paragraph 4 is set out in these rules, modalities and procedures.

**A. Membership** {see also work plan for 2019}

15. The Supervisory Body [shall][should] comprise X members from Parties to the Paris Agreement, as follows, ensuring/striving to ensure gender-balanced representation, and technical competence {potential list below}:

**Option A {CDM EB model}** {below text is taken from decision 3/CMP.1, annex, paragraph 7}

- (a) One member from each of the five United Nations regional groups;
- (b) Two other members from the Parties included in Annex I;
- (c) Two other members from the Parties not included in Annex I;
- (d) One representative of the small island developing States.

**Option B {JISC model}** {below text is taken from decision 9/CMP.1, annex, paragraph 4}

- (e) Three members from Parties included in Annex I that are undergoing the process of transition to a market economy;
- (f) Three members from Parties included in Annex I not referred to in subparagraph (a) above;
- (g) Three members from Parties not included in Annex I;

- (h) One member from the small island developing States.

**Option C {new/compilation model} {potential list below}**

- (i) Ensuring balanced representation of Parties {potential list below}:
- (i) X members from each of the five United Nations regional groups;
  - (ii) X members from developed country Parties;
  - (iii) X members from developing country Parties;
  - (iv) Equal representation of developing country Parties and developed country Parties;
  - (v) X members from the least developed country Parties;
  - (vi) X members from small island developing States.

**Option D {Paris-based model<sup>2</sup>}**

- (j) Ensuring broad and equitable geographic representation
- (i) 2 members from each UN regional group;
  - (ii) 1 member from least developed countries;
  - (iii) 1 member from small island developing States.

{end of Option D}

16. X members from private sector organizations or non-governmental organizations.

{end of Option D}

**Option A {election by CMA}**

17. The CMA [shall][should] elect, on the basis of nominations by the relevant UN regional groups and other constituency groups:

**Option A1 {members only in the Supervisory Body}**

- (a) members of the Supervisory Body;

**Option A2 {members and alternate members}**

18. members and an alternate for each member of the Supervisory Body.

**Option B {Option A plus SBSTA Chair where failure to nominate}**

{Option A above plus following}:

19. In the event that a regional group is unable to nominate within a specified deadline, the SBSTA Chair [shall][should] invite recognized regional experts to serve as member or alternate member, as appropriate, until the regional group nominates a member or alternate, for election by the CMA.

{end of Option B}

20. The term of the first members and alternates members[shall][should] be as follows: half the members and alternate members shall be elected for a term of {X divided by 2} years and the other half for a term of {X} years. All subsequent members and alternates shall serve for a term of {X} years.

**B. Rules of procedure {see also work plan for 2019}**

**Option A {Rules of procedure of the Executive Board of the CDM}**

{See decision 3/CMP.1 paragraphs XXX and decision 2/CMP.1 XXX}

**Option B {Rules of procedure of the Joint Implementation Supervisory Committee}**

{See decision 6/CMP.1 paragraphs XXX and decision XXXX}

<sup>2</sup> Note that this model for membership is called "Paris-based model" as it is the model used by the Article 15 committee as per decision 1/CP.21 paragraph 102, and by the Paris Committee on Capacity Building as per its Terms of Reference in decision 2/CP.22, Annex I paragraph 2.



**Option C {Rules of procedure developed specifically for the Supervisory Body}** {Note: Whether there are alternate members or not has not been decided but they are included here in order to avoid numerous options at this stage}.

21. Members and alternate members [shall] serve in their individual personal capacity.
22. Members and alternate members [shall][should] possess the following skills and capacities {potential list below}:
  - (a) Relevant technical expertise;
  - (b) Recognized competence in relevant scientific, technical, socioeconomic or legal fields.
23. Members and alternate members [shall] serve for a term of:

**Option C1 {two years}**

- (a) Two years.

**Option C2 {three years}**

- (b) Three years.  
{end of option C2}

24. The maximum number of terms for any individual [shall] be:

**Option C1 {two in total including terms served as an alternate member}**

- (a) Two terms, whether consecutive or not, and including any period as an alternate member.

**Option C2 {two consecutive terms, including terms served as an alternate member}**

- (b) Two consecutive terms, including any terms served as an alternate member.  
{end of option C2}

25. If a member or alternate member resigns or is otherwise unable to continue as a member or alternate:

**Option C1 {constituency nominates replacement for remainder of term}**

- (a) The relevant constituency may nominate a replacement member/alternate to serve the remainder of the term;

**Option C2 {Supervisory Body}**

- (b) The Supervisory Body may, bearing in mind the proximity to the next meeting of the CMA, appoint a replacement member or alternate member for the remainder of the term from a nomination communicated directly from the Party representing the relevant constituency.  
{end of option C2}

26. A member or alternate may be suspended and/or the membership terminated by the CMA where {potential list below}:

- (a) They fail to disclosure a conflict of interest.

27. Costs for members and alternates including {further text needed} [shall][should] be borne by the share of proceeds for administrative expenses, and prior to sufficiency of the proceeds for administrative expenses, by {further text needed}.

28. Members and alternate members [shall] avoid actual, potential and perceived conflicts of interest and [shall][should] {potential list below}:

- (a) Declare any actual, potential or perceived conflict of interest at the start of a meeting;
- (b) Recuse themselves from any discussion where they have an actual, potential or perceived conflict of interest;
- (c) Refrain from behaviours that may be incompatible with the requirements of independence and impartiality;

29. Members and alternate members [shall][should] ensure confidentiality, in line with best practice for confidentiality, including in respect of {potential list below} {further text needed}.

30. Meetings of the Supervisory Body [shall][should] be {potential list below}:

- (a) *{held as needed but no less/more than X times per year}*
- (b) *{open to observers unless closed for specific items};*
- 31. X members, including alternates only when they are acting as members, shall constitute a quorum.
- 32. A quorum of members is required for *{potential list below}*:
  - (a) Meetings.
  - (b) Decisions.
- 33. Members and alternate members [shall] attend meetings and alternate members [shall] act as members when the member is not present, and *{placeholder for options on role of alternate members}*
- 34. The Supervisory Body [shall][should] elect a Chair and a Vice Chair from among its members *{further details needed}*.
- 35. Dates of meetings of the Supervisory Body [shall][should] be notified to members and alternate members no later than X weeks in advance of the start of the meeting.
- 36. Dates of meetings of the Supervisory Body [shall][should] be made public no later than X weeks in advance of the start of the meeting.
- 37. Meetings shall, unless closed for reasons of confidentiality, be open to be observed by the public.
- 38. Documents for meetings of the Supervisory Body [shall][should] be made public no later than X weeks in advance of the start of the meeting, unless confidential.
- 39. The Supervisory Body shall ensure transparency of decision making and [shall][should] make public its decision-making framework, and maintain a publicly accessible list of its decisions, procedures, standards and related documents.
- 40. Decisions of the Supervisory Body [shall][should] be taken by consensus whenever possible. If all efforts at reaching consensus have been exhausted, decisions [shall][should] be put to the vote and adopted by:

**Option C1 *{three fourths plus one}***

- (a) A majority of three fourths plus one of the members present and voting.

**Option C2 *{simple majority}***

- (b) A simple majority of the members present and voting.

*{end of option C2}*

- 41. The Supervisory Body shall adopt reports of its meetings and make the reports publicly available within X days of the end of its meeting.

**Option C1 *{Grievance and redress processes are part of the Rules of Procedure}***

- 42. The Supervisory Body [shall][should] have processes to address grievances and ensure redress, that *{potential list below}*:

- (a) Involve independent review;
- (b) Are rights based, independent, accessible, equitable, transparent, legitimate, efficient.

**Option C2 *{Grievance and redress processes are not part of the Rules of Procedure}***

*{no text needed}*

*{end of option C2}*

**Option C1 *{A process for referring to the Article 15 committee is part of the Rules of Procedure}***

- 43. The Supervisory Body [shall][should] have processes to make referrals to the Article 15 committee.

**Option C2 *{A process for referring to the Article 15 committee is not part of the Rules of Procedure}***

*{no text needed}*

*{end of option C2}*

## **C. Governance and functions** *{see also work plan for 2019}*

### **Option A** *{centralized system}*

44. In accordance with Article 6, paragraph 4, the Supervisory Body [shall][should] supervise the mechanism, under the authority and guidance of the CMA, and be accountable to the CMA. In this context, the Supervisory Body [shall][should], in accordance with decisions of the CMA *{potential list below}*:

- (a) Develop the requirements and processes necessary to operationalize the mechanism;
- (b) Operate the mechanism;
- (c) Support the implementation of the mechanism and its transparency.

### **Option B** *{host Party led system}* and

### **Option C** *{dual system (both centralized and host Party led)}* *{See the work plan for 2019}*

## **D. Role of the secretariat** *{see also work plan for 2019}*

45. Pursuant to Article 17 and in accordance with decisions of the CMA, the secretariat [shall][should] serve the Supervisory Body.

## **VII. The mechanism registry**

46. The Supervisory Body [shall][should] establish and maintain a registry for the mechanism (hereinafter referred to as the mechanism registry), in accordance with decisions of the CMA, containing *{potential list below}*:

- (a) A pending account, a holding account, forwarding account, retirement account, cancellation account and share of proceeds account;
- (b) A cancellation account for overall mitigation in global emissions.

47. The secretariat [shall][should] serve as the registry administrator to maintain the mechanism registry under the authority of the Supervisory Body, in accordance with decisions of the CMA.

## **VIII. Participation, benefits and responsibilities of host Parties**

### **A. Participation requirements for host Parties**

#### **Option A** *{participation requirements}*

48. A Party may participate on a voluntary basis in the mechanism by hosting Article 6, paragraph 4 activities if it meets the following requirements *{potential list below}*:

- (a) It is a Party to the Paris Agreement;
- (b) It has prepared, communicated and maintained successive NDCs and is currently maintaining an NDC in accordance with Article 4, paragraph 2, and relevant decisions of the CMA;
- (c) It complies with the requirements in Article 6, paragraphs 4 and 5;
- (d) It has designated a national authority for the mechanism and has communicated that designation to the secretariat;
- (e) It has a registry or has an account in the mechanism registry for holding A6.4ERs;
- (f) It submits national inventory reports in accordance with the modalities, procedures and guidelines adopted by the CMA pursuant to Article 13, paragraph 13;
- (g) It ensures that its hosting of Article 6, paragraph 4 activities and generation of A6.4ERs therefrom is guided by its domestic mitigation objectives;
- (h) It ensures that its hosting of Article 6, paragraph 4 activities and generation of A6.4ERs therefrom delivers overall mitigation in global emissions through cancellation of X per cent of issued A6.4ERs;

- (i) Where applicable, it has in place national processes and institutional arrangements for hosting Article 6, paragraph 4 activities that have been certified by the Supervisory Body.

**Option B {application of Article 6.2 guidance participation requirements}**

49. A Party may participate in Article 6, paragraph 4 activities if it meets the requirements for participating in cooperative approaches set out in the guidance for cooperative approaches referred to in Article 6 paragraph 2.

**Option C {application of Article 6.2 guidance participation requirements if A6.4ERs are internationally transferred and used towards NDC}**

50. A Party hosting an Article 6, paragraph 4 activity [shall][should] meet the requirements for participating in cooperative approaches set out in the guidance for cooperative approaches referred to in Article 6, paragraph 2 if A6.4ERs generated by the activity are internationally transferred and used towards NDCs.

## **B. Responsibilities/Roles of host Parties**

**Option A {responsibilities of hosting Parties}**

51. A Party hosting an Article 6, paragraph 4 activity [shall][should] {potential list below}:

- (a) Provide confirmation to the Supervisory Body that participation by the Party and any participants in the proposed Article 6, paragraph 4 activity is voluntary;
- (b) Provide authorization to the Supervisory Body of the proposed Article 6, paragraph 4 activity;
- (c) Provide confirmation to the Supervisory Body that the proposed Article 6, paragraph 4 activity fosters sustainable development in the host Party;
- (d) Provide an explanation to the Supervisory Body as to how the proposed Article 6, paragraph 4 activity relates to the NDC of the host Party;
- (e) Demonstrate that the proposed Article 6, paragraph 4 activity will contribute to overall mitigation in global emissions;
- (f) When authorizing the participation of public or private entities in the Article 6, paragraph 4 activity, provide authorization of that participation to the Supervisory Body;
- (g) Provide an explanation to the Supervisory Body as to how the proposed Article 6, paragraph 4 activity conforms to the implementation of the United Nations Sustainable Development Goals in the host Party;
- (h) Provide an explanation to the Supervisory Body as to how the proposed Article 6, paragraph 4 activity conforms to the host Party's obligations on human rights;
- (i) Provide an explanation to the Supervisory Body as to how the proposed Article 6, paragraph 4 activity avoids negative social and economic impacts on other Parties, particularly developing country Parties;
- (j) Provide an explanation to the Supervisory Body of the conditions under which it may withdraw its authorization of the proposed Article 6, paragraph 4 activity and/or withdraw its authorization of the participation of any public or private entities in the activity;
- (k) Provide confirmation to the Supervisory Body that local stakeholder consultation has been conducted for the proposed Article 6, paragraph 4 activity;
- (l) Provide confirmation to the Supervisory Body that the proposed Article 6, paragraph 4 activity respects the safeguards adopted by the Supervisory Body in relation to such activities;
- (m) Have provided, in accordance with the modalities, procedures and guidelines adopted by the CMA pursuant to Article 13, paragraph 13, information on all Article 6, paragraph 4 activities hosted by the Party and all A6.4ERs that the Party has internationally transferred or used towards achievement of its NDC;
- (n) Make relevant decisions about additionality and baselines in accordance with the relevant principles, to ensure consistency with their long term and short term mitigation objectives;
- (o) Make publicly available, through the secretariat, information on all baselines that it intends to use, and give due opportunity for stakeholder comments.

**Option B {application of Article 6.2 guidance participation requirements}**

52. A Party hosting Article 6, paragraph 4 activities [shall][should] meet the requirements for participating in cooperative approaches set out in the guidance for cooperative approaches referred to in Article 6, paragraph 2.

**Option C {application of Article 6.2 guidance participation requirements if A6.4ERs are internationally transferred and used towards NDC}**

53. A Party hosting an Article 6, paragraph 4 activity [shall][should] meet the requirements for participating in cooperative approaches set out in the guidance for cooperative approaches referred to in Article 6, paragraph 2 if A6.4ERs generated by the activity are internationally transferred and used towards NDCs.

**C. Benefits for host Parties**

*{See the work plan for 2019}*

**D. Addressing host-Party benefits**

*{See the work plan for 2019}*

**IX. Participation and responsibilities for transferring, acquiring and using Parties**

**A. Participation requirements for transferring, acquiring and using Parties**

**Option A {participation requirements}**

54. A Party may transfer and/or acquire A6.4ERs, and/or use A6.4ERs towards achievement of its NDC, if it meets the following requirements *{potential list below}*:

- (a) It is a Party to the Paris Agreement;
- (b) It has prepared, communicated and maintained successive NDCs and is currently maintaining an NDC in accordance with Article 4, paragraph 2, and relevant decisions of the CMA;
- (c) If it has designated a national authority for the mechanism, it has communicated that designation to the secretariat;
- (d) It has a registry or has a Party account in the mechanism registry for holding A6.4ERs;
- (e) It submits national inventory reports and information relating to Article 6, paragraph 4 mechanism activities in accordance with the modalities, procedures and guidelines adopted by the CMA pursuant to Article 13, paragraph 13.

**Option B {application of Article 6.2 guidance participation requirements}**

55. A Party may transfer or acquire A6.4ERs, and/or use A6.4ERs towards achievement of its NDC, if it meets the requirements for participating in cooperative approaches as set out in the guidance for cooperative approaches referred to in Article 6, paragraph 2.

**Option C {application of Article 6.2 guidance participation requirements only if A6.4ERs are internationally transferred, acquired and used towards NDC}**

56. A Party acquiring internationally transferred A6.4ERs to use towards its NDC [shall][should] meet the requirements for participating in cooperative approaches set out in the guidance for cooperative approaches referred to in Article 6, paragraph 2.

## **B. Responsibilities/Roles of transferring/acquiring Parties**

### **Option A {responsibilities of transferring/acquiring Parties} {potential list below}**

57. A Party transferring or acquiring A6.4ERs [shall][should] have provided, in accordance with the modalities, procedures and guidelines adopted by the CMA pursuant to Article 13, paragraph 13, information on all Article 6, paragraph 4, activities in which the Party is participating and all A6.4ERs that the Party has transferred or acquired.

### **Option B {application of Article 6.2 guidance participation requirements}**

58. A Party transferring or acquiring A6.4ERs [shall][should] meet the requirements for participating in cooperative approaches as set out in the guidance for cooperative approaches referred to in Article 6, paragraph 2.

### **Option C {application of Article 6.2 guidance participation requirements if A6.4ERs are internationally transferred, acquired and used towards NDC}**

59. A Party acquiring internationally transferred A6.4ERs [shall][should] use towards its NDC to meet the requirements for participating in cooperative approaches set out in the guidance for cooperative approaches referred to in Article 6, paragraph 2.

### **Option D {no responsibilities of transferring/acquiring Parties}**

{no text required}

## **C. Responsibilities/Roles of using Parties**

### **Option A {responsibilities of using Parties}**

60. A Party using A6.4ERs towards achievement of its NDC [shall][should] {potential list below}:

- (a) Provide confirmation to the Supervisory Body that participation by the Party and the participants in the proposed Article 6, paragraph 4 activity is voluntary;
- (b) When authorizing the participation of public or private entities in the Article 6, paragraph 4 activity, provide authorization of that participation to the Supervisory Body;
- (c) Provide confirmation to the Supervisory Body that the proposed Article 6, paragraph 4 activity fosters sustainable development in the participating Parties;
- (d) Provide an explanation to the Supervisory Body as to how the proposed Article 6, paragraph 4 activity conforms to the implementation of the United Nations Sustainable Development Goals in the participating Parties;
- (e) Provide an explanation to the Supervisory Body as to how the proposed Article 6, paragraph 4 activity and the use of A6.4ERs from the activity conforms to the Party's obligations on human rights;
- (f) Provide an explanation to the Supervisory Body as to how the proposed Article 6, paragraph 4 activity and the use of A6.4ERs from the activity avoids negative social and economic impacts on other Parties, particularly developing country Parties.
- (g) Provide an explanation to the Supervisory Body of the conditions under which it may withdraw its authorization of the participation of any public or private entities in the activity, if such conditions exist;
- (h) Have provided, in accordance with the modalities, procedures and guidelines adopted by the CMA pursuant to Article 13, paragraph 13, information on all Article 6, paragraph 4 activities in which the Party is participating and all A6.4ERs that the Party has used towards achievement of its NDC.

### **Option B {application of Article 6.2 guidance participation requirements}**

61. A Party using A6.4ERs towards achievement of its NDC [shall][should] meet the requirements for participating in cooperative approaches as set out in the guidance for cooperative approaches referred to in Article 6, paragraph 2.

### **Option C {application of Article 6.2 guidance participation requirements if A6.4ERs are internationally transferred, acquired and used towards its NDC}**

62. A Party using internationally transferred A6.4ERs towards its NDC [shall][should] meet the requirements for participating in cooperative approaches set out in the guidance for cooperative approaches referred to in Article 6, paragraph 2.

## **X. Participation by other actors**

### **A. Incentivizing and facilitating participation of public and private entities authorized by a Party {potential list below}**

63. Participating Parties [shall][should] incentivize public and private entities to participate in Article 6, paragraph 4, activities in accordance with the provisions relating to the authorization of such participation.

64. Participation in Article 6, paragraph 4, activities by public and private entities and other non-State actors may include acquiring and transferring A6.4ERs and using A6.4ERs:

#### **Option A {for purposes other than towards NDC}**

(a) For purposes other than towards achievement of the NDC of a Party;

#### **Option B {for purposes towards NDC}**

(b) For purposes towards achievement of the NDC of a Party;

#### **Option C {no limitation to purposes}**

(c) For any purposes.

### **B. Authorizing participation of public and private entities**

65. Participating Parties [shall][should] authorize public and private entities to participate in Article 6, paragraph 4 activities {potential list below}:

(a) Drawing on the experience gained through the implementation of joint implementation and the clean development mechanism under the Kyoto Protocol;

(b) In accordance with the national rules developed by each authorizing Party.

## **XI. Designated operational entities {see also work plan for 2019}**

### **A. Validation of mitigation activities**

66. A designated operational entity [shall][should] independently evaluate a mitigation activity against the requirements set out in these rules, modalities and procedures, relevant decisions of the CMA and relevant requirements developed by the Supervisory Body (hereinafter referred to as validation) for:

(a) Registration of the mitigation activity as an Article 6, paragraph 4 activity;

(b) Other purposes as may be defined by the Supervisory Body.

### **B. Verification and certification of emission reductions**

67. A designated operational entity [shall][should] independently review and determine emission reductions/emission removals/emissions avoided/full spectrum that have occurred as a result of the implementation of an Article 6, paragraph 4 activity during the monitoring period (hereinafter referred to as verification) and provide written assurance of the emission reductions/emission removals/emissions avoided/full spectrum verified, for the issuance of A6.4ERs for the Article 6, paragraph 4 activity (hereinafter referred to as certification).

### **C. Regional availability**

68. A designated operational entity [shall][should] strive to ensure regional availability with local sources and presence.

## **XII. Eligible mitigation activities**

### **A. Mitigation activities in the context of the host Party's nationally determined contribution** *{see also work plan for 2019}*

#### **Option A** *{mitigation activities may be inside or outside the host Party's NDC}*

69. Mitigation activities taking place in or outside the sectors/greenhouse gases/period covered by the NDC of the host Party may be registered as Article 6, paragraph 4 activities if they meet the requirements of these rules, modalities and procedures and relevant decisions of the CMA and the Supervisory Body.

#### **Option B** *{mitigation activities may only be inside the host Party's NDC}*

##### **Option B1** *{applies to all Parties}*

70. Only mitigation activities that are in the sectors/greenhouse gases/period covered by the NDC of the host Party and meet the requirements of these rules, modalities and procedures and other decisions of the CMA and the Supervisory Body may be registered as Article 6, paragraph 4 activities.

##### **Option B2** *{does not apply to all Parties – special circumstances of the LDCs and SIDS recognized}*

71. Only mitigation activities that are in the sectors/greenhouse gases/period covered by the NDC of the host Party and meet the requirements of these rules, modalities and procedures and relevant decisions of the CMA and the Supervisory Body may be registered as Article 6, paragraph 4 activities.

72. For Parties that are least developed countries or small island developing States, any mitigation activities may be registered as Article 6, paragraph 4 activities if they meet the requirements of these rules, modalities and procedures and relevant decisions of the CMA and the Supervisory Body.

##### **Option C** *{mitigation activities may only be outside the host Party's NDC}*

73. Only mitigation activities that are outside the greenhouse gases/sectors/period covered by the NDC of the host Party and meet the requirements of these rules, modalities and procedures and relevant decisions of the CMA and the Supervisory Body may be registered as Article 6, paragraph 4 activities.

##### **Option D** *{no specification on whether they may be within or outside the host Party's NDC}*

*{no text is required}*

##### **Option E** *{may be outside current NDC so long as within the subsequent NDC}*

74. Mitigation activities that are outside the greenhouse gases/ sectors/period covered by the NDC of the host Party and meet the requirements of these rules, modalities and procedures and relevant decisions of the CMA and the Supervisory Body may be registered as Article 6, paragraph 4 activities, on the condition that the greenhouse gases/sectors/period in which the activity operates is included in the subsequent NDC of the host Party.

75. Mitigation activities that are in the sectors/greenhouse gases/period covered by the NDC of the host Party and meet the requirements of these rules, modalities and procedures and other decisions of the CMA and the Supervisory Body may be registered as Article 6, paragraph 4 activities.

### **B. General requirements for mitigation activities** *{see also work plan for 2019}*

76. In addition to specific requirements in these rules, modalities and procedures, an Article 6, paragraph 4, activity [shall][should] *{potential list below}*:

- (a) Deliver real, measurable and long-term benefits related to the mitigation of climate change;
- (b) Apply a crediting period approved by the Supervisory Body that is *{potential list below}*;
- (c) appropriate to the activity in the relevant host Party and consistent with that Party's long term and short term mitigation objectives;
- (d) Deliver permanent emission reductions/ensure permanence and avoid and/or require correction of reversals;
- (e) Avoid incentivizing the use of technologies in a manner that disincentivizes the uptake of newer, more environmentally friendly and/or less greenhouse gas intensive technologies;



- (f) Foster sustainable development in accordance with Article 6, paragraph 4(a);
- (g) Include local stakeholder consultation;
- (h) Not include activity types that have negative environmental impacts;
- (i) Foster transition towards a low-carbon economy, in accordance with the long-term low-emission development strategies of the participating Parties communicated in accordance with Article 4, paragraph 19;

77. An Article 6 activity [shall][should] be:

**Option A {approval pursuant to decision 1/CP.21}**

- (a) Authorized/approved by the host Party pursuant to decision 1/CP.21, paragraph 37(a);

**Option B {approval without reference to decision 1/CP.21}**

- (b) Approved by the host Party;

{end of Option B}

78. An Article 6 activity [shall][should] {potential list below}:

- (a) Not lead to an increase in global emissions;
- (b) Not impede the progression of the NDC of the host Party;
- (c) Be consistent with the United Nations Sustainable Development Goals and the sustainable development objectives of the host Party;
- (d) Be consistent with and not pose a threat to human rights;
- (e) Not include actions referred to in Article 5;
- (f) Be subject to the share of proceeds referred to in Article 6, paragraph 6;
- (g) Be subject to cancellation/discounting of A6.4ERs to deliver overall mitigation in global emissions.

## **B. Baseline approach {see also work plan for 2019}**

**Option A {list of principles for baselines} {potential list below}**

79. Baselines [shall][should] be set in accordance with the following principles {possible list below}:

- (a) Application of a historic emissions approach;
- (b) Application of a dynamic baseline that is updated upon changes to the assumptions for setting the baseline or is automatically updated at the date of policy adoption;
- (c) Application of a conservative baseline that is below ‘business as usual’ and/or applies best available technologies and ensures transparency;
- (d) Application of a baseline that reflects all relevant national and sectoral policies of the host Party and is updated at the point of changes to those national and sectoral policies;
- (e) Application of a baseline and monitoring methodology that takes into account any net leakage due to the implementation of the activity;
- (f) Application of conservative default factors and/or higher default factors for the calculation of emission reductions;
- (g) Application of a relevant standardized baseline that is {potential list below};
  - (i) Contextualised to related concepts;
  - (ii) Subject to national discretion;
- (h) Application of a business as usual baseline;
- (i) Baselines [shall] be lower than the relevant current emission intensity levels;
- (j) Baselines [shall] be established at the greatest level of aggregation possible and avoiding project specific baselines;

- (k) A baseline [shall] comprise a level of GHG emissions representing a defined benchmark, where appropriate benchmarks are based on best available technology (BAT), including regional;
- (l) Any requirements regarding the establishment of baselines [shall] be conservative and ensure transparency with regard to the choice of approaches, assumptions, methodologies, parameters, data sources and key factors.
- (m) Baseline and monitoring protocols [shall] take into account any net leakage due to the implementation of the activity.
- (n) Ensure that A6.4ERs [shall] not be issued to activities that “lock in” an emission level inconsistent with the long-term goal of the Paris Agreement
- (o) Ensure that A6.4ERs [shall] not be issued for decreases in activity levels outside of the A6.4 mechanism activity or due to force majeure;
- (p) Baselines [shall] undergo a technical assessment process;
- (q) Development of methodologies [shall] be based on experience gained with and lessons learned from existing mechanisms adopted under the Convention and its related legal instruments;
- (r) Avoiding baselines that allow issuance of A6.4ERs for decreases in activity outside the activity;
- (s) Provisions requiring that when setting baselines, data sources and assumptions are clearly set out;
- (t) Take into account uncertainties.

**Option B {no baseline approaches}**

{No text needed}

80. An Article 6, paragraph 4 activity [shall][should] apply the above principles when setting the baseline and calculating emission reductions achieved by the activity, in accordance with the methodology approved by the Supervisory Body.

81. The Supervisory Body shall take into account the special circumstances of least developed countries and small island developing States in relation to baseline setting.

**B. Additionality** {see also work plan for 2019}

82. An Article 6, paragraph 4, activity [shall][should] be additional where it demonstrates:

**Option A {reference to what would otherwise have occurred}**

- (a) Reductions in emissions that are additional to any that would otherwise occur:

**Option A1 {in absence of activity}** {potential list below}

- (i) in the absence of the activity;

**Option A2 {in absence of mechanism}**

- (ii) in the absence of the mechanism;

**Option A3 {in absence of the Paris Agreement}**

- (iii) in the absence of the Paris Agreement.

**Option A4 {reference to activity and mechanism}**

- (iv) in the absence of the mechanism. Additionality criteria [shall][should] be established for all activities that may be under the 6.4 mechanism. Criteria shall ensure that emissions are reduced below those that would have occurred in the absence of the mechanism.

**Option B {reference to the NDC}**

- (b) Reductions in emissions that go beyond what would be achieved through the delivery of the NDCs of the host Party.

**Option C {definition linked to scope of NDC}**

- (i) {further detail needed}.

**Option D {takes into account national policies}**

(c) That it takes into account all relevant national policies, including legislation;

**Option E {positive lists}**

(d) That the activity is included on a positive list adopted by the Supervisory Body.

**Option F {no additionality requirement}**

{no text required}

{end of Option F}

83. The requirement in paragraph 82 above [shall][should] not apply to Article 6, paragraph 4 activities hosted in least developed countries or small island developing States.

### **XIII. Mitigation activity cycle**

#### **A. Design**

84. To develop a mitigation activity as an Article 6, paragraph 4 activity, the activity [shall][should] be designed to meet the requirements in these rules, modalities and procedures and any other relevant requirements defined by the CMA and the Supervisory Body, and a design document demonstrating the compliance with the requirements [shall][should] be developed for approval by the host Party.

#### **B. Authorization by Party**

85. Participants of the proposed mitigation activity [shall][should] be authorized by a Party involved.

#### **C. Validation**

86. The proposed mitigation activity [shall][should] be validated by a designated operational entity in accordance with the relevant validation requirements developed by the Supervisory Body.

#### **D. Registration**

87. After a positive validation, the design of the activity and the validation outcome [shall][should] be submitted to the Supervisory Body, in accordance with the relevant requirements developed by the Supervisory Body.

88. The mitigation activity [shall][should] be registered as an Article 6, paragraph 4, activity if the Supervisory Body decides that the design of the mitigation activity and the validation meet the relevant requirements developed by the Supervisory Body.

#### **E. Monitoring**

89. Monitoring of emission reductions achieved by a registered Article 6, paragraph 4, activity [shall][should] be in accordance with the relevant requirements developed by the Supervisory Body.

#### **F. Verification and certification**

90. The monitoring of the emission reductions [shall][should] be verified and certified by a designated operational entity in accordance with the relevant requirements developed by the Supervisory Body.

#### **G. Issuance {potential list below}**

91. For the issuance of A6.4ERs, the verification and certification [shall][should] be submitted to the Supervisory Body and be in accordance with the relevant requirements developed by the Supervisory Body.

92. The Supervisory Body [shall][should] approve the issuance of A6.4ERs if it decides that the verification and certification meet the relevant requirements developed by the Supervisory Body.

93. The registry administrator [shall][should], in accordance with section VII (The mechanism registry) and the relevant requirements developed by the Supervisory Body, issue the A6.4ERs into:

**Option A {issuance into the mechanism registry}**

(a) the mechanism registry;

**Option B {issuance into a registry}**

(b) the relevant registry.

**H. Forwarding/transfer from the mechanism/a registry {see also work plan for 2019}**

94. The registry administrator [shall][should] in respect of share of proceeds:

**Option A {unspecified destination of share of proceeds}**

(a) Forward/transfer X per cent of the issued A6.4ERs to an account for assisting developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation;

**Option B {specified destination of share of proceeds to Adaptation Fund}**

(b) Forward/transfer X per cent of the issued A6.4ERs to an account held by the Adaptation Fund for assisting developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation;

{end of Option B}

95. The registry administrator, in respect of overall mitigation in global emissions, [shall][should] cancel X per cent of the issued A6.4ERs to a cancellation account for implementing overall mitigation in global emissions.

96. The registry administrator [shall][should] for the remaining issued A6.4ERs, forward/transfer the specified amount of A6.4ERs in accordance with the instructions of the participants in the Article 6, paragraph 4, activity, in accordance with the relevant requirements developed by the Supervisory Body.

**I. Voluntary cancellation {see also work plan for 2019}**

97. The registry administrator [shall][should] cancel the specified amount of A6.4ERs in accordance with decisions of the CMA.

**J. Other processes associated with mitigation activities**

**1. Grievance process/appeal rights**

98. Stakeholders, participants and participating Parties may appeal decisions of the Supervisory Body or request that a grievance be addressed by the Supervisory Body. {see also work plan for 2019}

**2. Protection of human rights**

99. Stakeholders, participants and participating Parties may inform the Supervisory Body of alleged violations of human rights resulting from an Article 6, paragraph 4 activity. {see also work plan for 2019}

**3. Referral of matters to the committee referred to in Article 15**

{see work plan for 2019}

**4. Reporting**

{see work plan for 2019}

## **XIV. Levy of share of proceeds towards administration and adaptation** *{see also work plan for 2019}*

### **A. Share of proceeds for adaptation (level and timing)**

#### **Option A** *{unspecified destination of share of proceeds}*

100. The share of proceeds from an Article 6, paragraph 4 activity that is levied to assist developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation [shall][should] be delivered to the relevant mechanism registry account.

#### **Option B** *{specified destination of share of proceeds to Adaptation Fund}*

101. The share of proceeds from an Article 6, paragraph 4 activity that is levied to assist developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation [shall][should] be delivered to the Adaptation Fund.

*{end of Option B}*

102. The share of proceeds [shall][should] be set and levied at:

#### **Option A** *{percentage at issuance}*

(a) X per cent/5 per cent at issuance.

#### **Option B** *{percentage at forwarding/first transfer}*

(b) X per cent/5 per cent at forwarding/first transfer.

#### **Option C** *{increasing rate over time at transfer}*

(c) X per cent/5 per cent at forwarding/first transfer, increasing by Y per cent at each subsequent transfer.

#### **Option D** *{linked with an overall mitigation in global emissions}*

*{draft element needed}*

### **B. Share of proceeds for administrative expenses (level and timing)**

103. Until the share of proceeds is sufficient to cover administrative expenses, administrative expenses [shall][should] be covered by *{draft element needed}*.

104. The share of proceeds from an Article 6, paragraph 4, activity that is levied to cover administrative expenses [shall][should] be:

(a) USD X, payable at the time of the request for registration;

(b) USD X per A6.4ER issued for the activity, payable at the time of the request for issuance of A6.4ERs.

## **XV. Delivering overall mitigation in global emissions** *{see also work plan for 2019}*

105. The mechanism [shall][should] deliver an overall mitigation in global emissions in accordance with this section.

#### **Option A** *{automatic cancellation}*

106. Overall mitigation in global emissions [shall][should] be implemented as follows:

(a) After emission reductions are verified and certified, the host Party [shall][should] make a corresponding adjustment under the guidance for cooperative approaches referred to in Article 6, paragraph 2 for the full amount of issued A6.4ERs to be first transferred;

(b) At issuance/first transfer of A6.4ERs, the registry [shall][should] transfer X per cent of total amount of A6.4ERs to the cancellation account for overall mitigation in accordance with section XIII above;

(c) The cancelled A6.4ERs [shall][should] not be used for any transfer or purpose, including by any Party towards achievement of its NDC or for voluntary cancellation;

- (d) The host Party [shall][should] use the remaining A6.4ERs in its account either towards its own NDC or transfer them to another Party's registry or to another Party's account in the mechanism registry.

**Option B {discounting}**

107. Overall mitigation in global emissions [shall][should] be implemented as follows:

- (a) After emission reductions have been verified and certified, the host Party [shall][should] make a corresponding adjustment under the guidance for cooperative approaches referred to in Article 6, paragraph 2 for the full amount of issued A6.4ERs to be first transferred;
- (b) The acquiring/using Party [shall][should] discount by X per cent the acquired A6.4ERs at acquisition/use towards achievement of its NDC;
- (c) The discounted volume of A6.4ERs [shall][should] be transferred to the cancellation account for the overall mitigation of global emissions by the acquiring/using Party;
- (d) The volume of discounted A6.4ERs [shall][should] not be used by any Party towards achievement of its NDC or for voluntary cancellation;
- (e) The host Party [shall][should] use the remaining A6.4ERs in its account either towards its own NDC or transfer them to another Party's registry or another Party's account in the mechanism registry.

**Option C {mechanism itself ensures overall mitigation in global emissions}**

108. Use of the mechanism itself ensures overall mitigation in global emissions.

{end of Option C}

**Option D {approaches from the list below}**

109. Overall mitigation in global emissions [shall][should] implemented through {potential list below}:

- (a) Determining that emission reductions achieved by Article 6, paragraph 4, activities are additional to any that would otherwise occur;
- (b) Applying conservative baselines/baselines that are below business-as-usual to the calculation of emission reductions for Article 6, paragraph 4 activities;
- (c) Applying conservative/higher default emission factors to the calculation of project emissions from Article 6, paragraph 4 activities;
- (d) Limiting the crediting period for an Article 6, paragraph 4 activity to a period shorter than the operational lifetime of the relevant technology or activity, in accordance with the relevant requirements developed by the Supervisory Body;
- (e) Voluntary cancellation of A6.4ERs by Parties and stakeholders, including non-State actors
- (f) Any other measures selected by participating Parties voluntarily;
- (g) The using Party [shall][should] discount X per cent of the total quantity of A6.4ERs acquired prior to use towards achievement of its NDC.

**Option E {conservative baselines} {extracted from Option D}**

110. Overall mitigation in global emissions [shall][should] be implemented through {potential list below}:

- (a) Applying conservative baselines/baselines that are below business-as-usual to the calculation of emission reductions for Article 6, paragraph 4 activities;
- (b) Applying conservative/higher default emission factors to the calculation of project emissions from Article 6, paragraph 4 activities;

**Option F {voluntary approaches} {extracted from Option D}**

111. Overall mitigation in global emissions [shall][should] be implemented through {potential list below}:

- (a) Any other measures selected by participating Parties voluntarily.

## **XVI. Avoiding the use of emission reductions by more than one Party**

112. Avoiding the use of emission reductions from the mechanism towards achievement of its NDC by more than one Party, in accordance with Article 6, paragraph 5, [shall][should] be ensured in accordance with this section.

### **Option A {guidance applicable to all emission reductions transferred internationally}**

113. The guidance relating to corresponding adjustments in the guidance for cooperative approaches referred to in Article 6, paragraph 2 of the Paris Agreement [shall][should] apply to all emission reductions under the mechanism, when transferred internationally.

### **Option B {guidance applicable to emission reductions from sectors/greenhouse gases covered by the NDC}**

114. The guidance relating to corresponding adjustments in the guidance for cooperative approaches referred to in Article 6, paragraph 2, [shall][should] apply to emission reductions under the mechanism, that result from a mitigation activity that is included in the sectors/greenhouse gases covered by the host Party's NDC, when those emission reductions are transferred internationally.

115. The guidance for cooperative approaches referred to in Article 6, paragraph 2 [shall][should] not apply to emission reductions under the mechanism, if the mitigation activity is not included in the sectors/greenhouse gases covered by the host Party's NDC.

### **Option C {guidance applicable to emission reductions covered by the NDC}**

116. The guidance relating to corresponding adjustments in the guidance for cooperative approaches referred to in Article 6, paragraph 2, [shall][should] apply to emission reductions under the mechanism, that result from a mitigation activity that is covered by the host Party's NDC, when those emission reductions are transferred internationally.

117. The guidance for cooperative approaches referred to in Article 6, paragraph 2 [shall][should] not apply to emission reductions under the mechanism, if the mitigation activity is not covered by the host Party's NDC.

### **Option D {forwarding based}**

118. The guidance relating to corresponding adjustments in the guidance for cooperative approaches referred to in Article 6, paragraph 2 is not applicable to the initial forwarding of certified emission reductions from the mechanism registry.

119. The guidance relating to corresponding adjustments in the guidance for cooperative approaches set out in Article 6, paragraph 2 [shall][should] apply to any subsequent international transfer of certified emission reductions between registries/national accounts in the multilateral registry through the international transaction log.

### **Option E {national allowances based}**

120. The guidance relating to corresponding adjustments in the guidance for cooperative approaches referred to in Article 6, paragraph 2, [shall][should] apply to emission reductions issued under the mechanism. A Party with an absolute emission limitation or reduction target in its NDC may then transfer an equivalent quantity of national allowances.

### **Option F {accounting for cancellations for overall mitigation in global emissions}**

121. Cancellations for overall mitigation in global emissions [shall][should] be accounted for in accordance with section XV (Overall mitigation in global emissions) above.

## **XVII. Safeguards/Other**

### **A. Uses for purposes other than towards achievement of nationally determined contributions {potential list below}**

#### **Option A {use for purposes other than towards NDCs}**

122. An A6.4ER may be used as a means of demonstrating climate finance provided pursuant to Article 9.

123. An A6.4ER [shall][should] not be used towards achievement of an NDC where it has been or is intended to be used *{potential list below}*:

- (a) Towards international mitigation action outside the UNFCCC;
- (b) Towards voluntary climate actions that are not mandatory in the relevant jurisdiction;
- (c) As a means of demonstrating climate finance provided pursuant to Article 9.

124. A6.4ERs used for purposes other than towards achievement of NDCs [shall][should] be subject to a corresponding adjustment in accordance with:

**Option A1 *{all accounted for}***

- (a) the guidance for cooperative approaches referred to in Article 6, paragraph 2.

**Option A2 *{only where from within NDC}***

- (b) the guidance for cooperative approaches referred to in Article 6, paragraph 2, if the A6.4ERs were issued from sectors/greenhouse gases/periods covered by an NDC.

*{end of Option A2}*

**Option B *{no use for purposes other than towards an NDC}***

*{no text required}*

## **B. Limits *{potential list below}***

**Option A *{limits}* *{potential list below}***

125. The Supervisory Body [shall][should] issue A6.4ERs in a manner that avoids fluctuations in the prices and quantities available on the international market for A6.4ERs.

126. A Party [shall][should] not transfer/acquire/use A6.4ERs issued for emission reductions achieved in sectors where there is a high degree of uncertainty in emission estimates.

127. After the initial transfer from the host Party to the acquiring Party, the acquiring Party [shall][should] not further transfer A6.4ERs to the host Party or to another Party.

128. A Party [shall][should] ensure that speculative transfers of A6.4ERs are avoided.

129. A Party [shall][should] not transfer any quantity of A6.4ERs greater than X.

130. A Party [shall][should] not transfer A6.4ERs in the following ways: *{draft element needed}*.

131. A Party's use of A6.4ERs towards achievement of its NDC [shall][should] be supplemental to domestic action, and domestic action [shall][should] constitute a significant element of the effort made by each Party towards achievement of its NDC.

132. A Party [shall][should] not use towards achievement of its NDC any A6.4ERs issued for emission reductions that were achieved in the period X.

133. A Party [shall][should] not use pre-2020 units towards achievement of its NDC.

134. A Party [shall][should] not carry over A6.4ERs exceeding X.

**Option B *{no limits}***

*{no text is required}*

## **XVIII. Transition from the Kyoto Protocol to Article 6, paragraph 4 *{see also work plan for 2019}***

### **A. Mitigation activities under the Kyoto Protocol**

**Option A *{existing CDM/JI activities may become Article 6.4 activities without further conditions}***

135. The following may be registered as Article 6, paragraph 4 activities *{potential list below}*:

**Option A1 *{only JI activities}***



- (a) Projects and programmes of activities registered under joint implementation under Article 6 of the Kyoto Protocol;

**Option A2 {only CDM activities}**

- (b) Project activities and programmes of activities registered under the clean development mechanism under Article 12 of the Kyoto Protocol.

**Option A3 {both CDM and JI as in Option A1 and Option A2}**

{text from (a) and (b) above}

**Option B {existing CDM/JI activities may become Article 6.4 activities if they meet certain conditions}**

136. The following may be registered as Article 6, paragraph 4 activities subject to paragraph 111 {potential list below}:

**Option B1 {only JI activities}**

- (a) Projects and programmes of activities registered under joint implementation under Article 6 of the Kyoto Protocol;

**Option B2 {only CDM activities}**

- (b) Project activities and programmes of activities registered under the clean development mechanism under Article 12 of the Kyoto Protocol;

**Option B3 {both CDM and JI activities, as in Option B1 and Option B2}**

137. To be registered as an Article 6, paragraph 4 activity, the above projects/project activities/programmes of activities [shall][should] meet the all conditions adopted by the Supervisory Body and/or the CMA and/or the following conditions {potential list below} and any further conditions as set out in decisions of the CMA:

- (a) The relevant host Party authorizes such registration;  
(b) They meet the same requirements as those for a similar activity under Article 6, paragraph 4.

{end of Option B}

**Option C {no special transitional provisions}**

- (a) If they the meet the requirements under the rules, modalities and procedures to be an activity under Article 6, paragraph 4.

**Option D {no existing CDM and JI activities may become Article 6.4 activities}**

138. No activities registered under joint implementation under Article 6 of the Kyoto Protocol or under the clean development mechanism under Article 12 of the Kyoto Protocol may be registered as Article 6, paragraph 4, activities.

**Option E {deal with transition in the work plan}**

{no text required}

**B. Transition of joint implementation emission reduction units {potential list below}**

139. In relation to ERUs,

**Option A {use of ERUs towards achievement of NDCs}**

- (a) ERUs may be used by a Party towards achievement of its NDC.

**Option B {use of ERUs for emission reductions achieved prior to 2020/2021}**

- (b) ERUs issued in relation to emission reductions achieved prior to 1 January 2020/2021 may be used by a Party towards achievement of its NDC.

**Option C {use of ERUs for emission reductions achieved after 2020/2021}**

- (c) ERUs issued in relation to emission reductions achieved after 1 January 2020/2021 may be used by a Party towards achievement of its NDC.

**Option D {no use of ERUs towards achievement of NDCs}**

- (d) ERUs may not be used by a Party towards achievement of its NDC.

140. A6.4ERs may be issued for activities registered under joint implementation under Article 6 of the Kyoto Protocol.

**Option E {deal with transition in the work plan}**

{no text required}

**Option F {deal with this under guidance for cooperative approaches}**

{no text required}

**C. Transition of clean development mechanism certified emission reductions** {potential list below}

141. In relation to CERs,

**Option A {use of CERs towards achievement of NDCs}**

(a) CERs may be used by a Party towards achievement of its NDC.

**Option B {use of CERs for emission reductions achieved prior to 2020/2021}**

(b) CERs issued in relation to emission reductions achieved prior to 1 January 2020/2021 may be used by a Party towards achievement of its NDC.

**Option C {use of CERs for emission reductions achieved after 2020/2021}**

(c) CERs issued in relation to emission reductions achieved after 1 January 2020/2021 may be used by any Party towards achievement of its NDC and for purposes other than its NDCs.

**Option D {no use of CERs towards achievement of NDCs}**

(d) CERs may not be used by a Party towards achievement of its NDC.

{end of Option D}

142. A6.4ERs may be issued for activities registered under the clean development mechanism under Article 12 of the Kyoto Protocol.

**Option E {deal with transition in the work plan}**

{no text required}

**Option F {deal with this under guidance for cooperative approaches}**

{no text required}

**D. Transition of methodologies**

143. In relation to methodologies under joint implementation under Article 6 of the Kyoto Protocol,

**Option A {use of JI methodologies by Article 6, paragraph 4, activities}**

(a) Baseline and monitoring methodologies etc. under Article 6 of the Kyoto Protocol [shall][should] be valid for Article 6, paragraph 4, activities.

**Option B {no use of methodologies by Article 6, paragraph 4, activities}**

{no text required}

144. Requests the SBSTA to develop recommendations, in relation to methodologies under the clean development mechanism, on the basis of the elements below for consideration and adoption by the CMA at its second session.

**Option A {use of CDM methodologies by Article 6, paragraph 4, activities}**

(a) Baseline and monitoring methodologies etc. under the clean development mechanism under Article 12 of the Kyoto Protocol [shall][should] be valid for Article 6, paragraph 4, activities.

**Option B {no use of methodologies by Article 6, paragraph 4, activities}**

{no text required}

**Option C {deal with transition in the work plan}**

{no text required}

**E. Transition of accreditation standards**

**Option A {transition of the accreditation system}**

145. In relation to accreditation, the standards and procedures etc. for accreditation from the following Kyoto Protocol mechanisms [shall][should] serve as the basis for the standards and procedures for the mechanism through the adoption of those standard and procedures etc. by the Supervisory Body on the basis of the elements below for consideration and adoption by the CMA at its second session *{potential list below}*:

- (a) Joint implementation under Article 6 of the Kyoto Protocol;
- (b) The clean development mechanism under Article 12 of the Kyoto Protocol.

**Option B {no transition of the accreditation system}**

{no text required}

**Option C {deal with transition in the work plan}**

{no text required}

**XIX. Adaptation ambition** *{see also work plan for 2019}*

146. Mitigation co-benefits of adaptation action, including economic diversification *{further text needed}*.

147. To allow for higher ambition in adaptation, participants are allowed to issue, transfer, acquire and use A6.4ERs resulting from the mitigation co-benefits resulting from Parties' adaptation actions and/or economic diversification plans.

**XX. Addressing negative social and economic impacts under Article 4, paragraph 15** *{see also work plan for 2019}*

148. The Supervisory Body shall collaborate with the forum on the impact of the implementation of response measures (referred to in paragraph 33 of Decision 1/CP.21) to address the negative social and economic impacts, especially those impacting developing countries, resulting from Article 6, paragraph 4 activities by, inter alia:

- (a) Assessing and identifying the negative social and economic impacts resulting from Article 6, paragraph 4 activities, including the cumulative impact of these activities;
- (b) Developing, implementing and regularly updating measures to address the negative social and economic impacts resulting from Article 6, paragraph 4 activities, including the cumulative impact of these activities;
- (c) Regular sharing of information with the forum on the impact of the implementation of response measures (referred to in paragraph 33 of Decision 1/CP.21) to support the above activities.

## Annex II

### Draft work plan of follow-up work to be carried in 2019

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

1. *Requests* the Subsidiary Body for Scientific and Technological Advice (SBSTA) to undertake the following and develop recommendations for a draft decision for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) at its second session (2019);

#### **I. Preamble**

*{no element for work plan for 2019}*

#### **II. Principles**

*{no element for work plan for 2019}*

#### **III. Definitions**

*{no element for work plan for 2019}*

#### **IV. Scope and purpose**

##### **A. Scope of rules, modalities and procedures**

**Option A** *{special circumstances of LDCs and SIDS}*

1. *Requests* the SBSTA to develop recommendations on the implementation of the special circumstances of LDCs and SIDS in relation to NDCs in the context of the mechanism established by Article 6, paragraph 4 for consideration and adoption by the CMA at its second session;

#### **V. Role of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement**

*{no element for work plan for 2019}*

#### **VI. Supervisory Body**

##### **A. Membership**

2. *Requests* the SBSTA to develop recommendations on the implementation of the membership provisions set out in section VI *{see Annex I above}*, and any further membership provisions that may be required, for consideration and adoption by the CMA at its second session.

##### **B. Rules of procedure**

3. *Requests* the SBSTA to develop recommendations on further requirements for the rules of procedure as set out in section VI *{see Annex I above}*, for consideration and adoption by the CMA at its second session.

## C. Governance and functions

### Option A {*centralized system*}

4. *Requests* the SBSTA to develop recommendations on responsibilities of the Supervisory Body, based on the elements listed below, for consideration and adoption by the CMA at its second session {*potential list below*}:

- (a) Responsibilities relating to development of requirements and processes relating to {*potential further list below*}:
  - (i) Accrediting operational entities;
  - (ii) The registration of mitigation activities as Article 6, paragraph 4, activities and the issuance of A6.4ERs in accordance with these rules, modalities and procedures and relevant decisions of the CMA;
  - (iii) Development of baseline and monitoring methodologies and standardized baselines for Article 6, paragraph 4, activities, prioritizing the baseline and monitoring methodologies and standardized baselines that promote mitigation at scale;
  - (iv) Developing the mechanism registry;
- (b) Responsibilities relating to operation of the mechanism {*potential further list below*}:
  - (i) Designating operational entities that meet the requirements for accreditation and managing their performance;
  - (ii) Taking appropriate measures to promote the regional availability of designated operational entities/and their location in all regions;
  - (iii) Registering mitigation activities as Article 6, paragraph 4, activities if they meet the requirements for registration;
  - (iv) Approving the issuance of A6.4ERs for registered Article 6, paragraph 4, activities if the requirements for issuance have been met;
  - (v) Forwarding/transferring A6.4ERs from the mechanism registry;
  - (vi) Maintaining the mechanism registry;
  - (vii) Certifying and periodically reviewing non-UNFCCC programmes to support the mechanism, including national accreditation systems.
- (c) Responsibilities relating to supporting implementation of the mechanism and its transparency, {*further potential list below*}:
  - (i) Developing and maintaining a public registry of information related to proposed and registered Article 6, paragraph 4 activities, subject to confidentiality;
  - (ii) Promoting public awareness of the mechanism, including on its role in implementing the Paris Agreement and NDCs;
  - (iii) Promoting public awareness of the mechanism, including by addressing negative perceptions of the mechanism;
  - (iv) Making publicly available all requirements and related documentation for/related to the mechanism;
  - (v) Facilitating the dialogue with host Parties of Article 6, paragraph 4 activities.

5. *Requests* the SBSTA to develop recommendations on how the Supervisory Body should exercise its functions, based on the elements listed below, for consideration and adoption by the CMA at its second session {*potential list*}:

- (a) Operating in an executive and supervisory manner, defining and developing the governance rules of the support structure, including panels and groups of technical experts as needed, delegating work to, and considering recommendations from, them;
- (b) Drawing on experience gained with and lessons learned from joint implementation and the clean development mechanism under Articles 6 and 12, respectively, of the Kyoto Protocol.
- (c) Reporting on its activities to the CMA at each of its sessions;

- (d) Making recommendations to the CMA on any amendments to the rules, modalities and procedures for the mechanism;
- (e) Seeking guidance from the CMA on any matters relating to the operation of the mechanism;
- (f) Reviewing Article 6, paragraph 4 activities and report on the findings to the CMA;
- (g) Reporting on overall mitigation in global emissions delivered by the mechanism.

**Option B {host Party led system} and Option C {dual system (both centralized and host Party led)}**

6. *Requests* the SBSTA to develop recommendations in relation to other functions of the Supervisory Body, that would allow for the Supervisory Body to provide oversight for host Party-led activities based on the elements listed below, for consideration and adoption by the CMA at its second session *{potential list below}*:

- (a) Appropriate international requirements and conformity assessment processes for Article 6, paragraph 4, activities;
- (b) Processes for review of the implementation of national processes of each host Party for conformity with international requirements and periodically certification of them;
- (c) Processes to ensure that each Party applies the centralized or Party-led system consistently.

## **D. Role of the secretariat**

7. *Requests* the SBSTA to develop recommendations on the role of the secretariat based on the elements listed below, for consideration and adoption by the CMA at its second session *{potential list below}*:

- (a) Support to the operation of the mechanism, the Supervisory Body and its support structure;
- (b) Collection of fees to cover the administrative costs of the Supervisory Body and its support structure;
- (c) Reporting to the CMA, at each of its sessions, on overall mitigation in global emissions delivered through the mechanism;
- (d) Reporting to the CMA, at each of its sessions, on the collection of the share of proceeds levied in accordance with section XIV (Share of proceeds) below;
- (e) Reporting of other information, as appropriate.

## **VII. The mechanism registry**

8. *Requests* the SBSTA to develop recommendations on implementation of the mechanism registry for consideration and adoption by the CMA at its second session.

## **VIII. Participation, benefits and responsibilities of host Parties**

### **A. Participation requirements for host Parties**

*{no element for work plan for 2019}*

### **B. Responsibilities/Roles of host Parties**

*{Applies only where Option B {host Party led system} or Option C {dual system (both centralized and host Party led)} of Section VI C (Supervisory Body) applies}*

9. *Requests* the SBSTA to develop recommendations for the responsibilities of host Parties in a host-Party led system, based on the elements listed below, for consideration and adoption by the CMA at its second session.

- (a) To have national processes that conform to the international requirements developed by the Supervisory Body to operationalize the mechanism in its own jurisdiction and, following certification

of those national processes by the Supervisory Body, have implemented them in accordance with these rules, modalities and procedures and relevant decisions of the CMA and/or the Supervisory Body;

- (b) Where applicable, have notified the Supervisory Body of national processes for the implementation of the mechanism in its jurisdiction, including authorization of and participation in mitigation activities, registration of mitigation activities as Article 6, paragraph 4 activities and enforcement of requirements;
- (c) Where applicable, provide a notification to the Supervisory Body of the registration of Article 6, paragraph 4 activities and the verification and certification of emission reductions.

### **C. Benefits for host Parties**

10. *Requests* the SBSTA to develop recommendations on the benefits for host Parties based on the elements listed below for consideration and adoption by the CMA at its second session:

- (a) Reduction of emissions in the host Party as a result of the implementation of Article 6, paragraph 4 activities;
- (b) Fostering of sustainable development;
- (c) Achievement of permanent and long-term benefits over periods that exceed the crediting periods of the Article 6, paragraph 4 activities;
- (d) Enhancement of participation of public and private entities authorized by the host Party;
- (e) Improvements over time of the regional distribution of Article 6, paragraph 4 activities;
- (f) Capacity-building in relation to the implementation of Article 6, paragraph 4 activities.

### **D. Addressing host Party benefits**

11. *Requests* the SBSTA to develop recommendations based on the elements listed below for consideration and adoption by the CMA at its second session:

- (a) Ensuring coherence between its NDC and the host-Party benefits resulting from Article 6, paragraph 4 activities;
- (b) Ensuring coherence between its emissions and the host-Party benefits resulting from Article 6, paragraph 4 activities.

## **IX. Participation and responsibilities of transferring, acquiring and using Parties**

*{no element for work plan for 2019}*

## **X. Participation by other actors**

*{no element for work plan for 2019}*

## **XI. Designated operational entities**

12. *Requests* the SBSTA to develop recommendations for implementation of section XI *{see Annex I above}* on designated operational entities, for consideration and adoption by the CMA at its second session.

## **XII. Eligible mitigation activities**

### **A. Mitigation activities in the context of the host Party's nationally determined contribution**

13. *Requests* the SBSTA to develop recommendations for implementation of section XII A {*see Annex I above*} for consideration and adoption by the CMA at its second session.

### **B. General requirements for mitigation activities**

14. *Requests* the SBSTA to develop recommendations on the implementation of general requirements, taking into consideration the elements listed below, for consideration and adoption by the CMA at its second session.

- (a) Crediting periods that, unless otherwise provided for by the host Party of five years, and extendable for a further five years if appropriate.

### **C. Baseline approach**

15. *Requests* the SBSTA to develop recommendations for the implementation of baseline approaches set out in section XII {*see Annex I above*} for Article 6, paragraph 4 activities, including taking into account the following elements, for consideration and adoption by the CMA at its second session {*potential list below*}.

- (a) Regional BAT benchmarks should be developed to facilitate uptake of this approach;
- (b) The Supervisory Body may suspend baseline standards, in whole or in part if standards are not being applied or met.

### **D. Additionality**

16. *Requests* the SBSTA to develop recommendations for the implementation of additionality set out in section XII of the rules, modalities and procedures {*see Annex I above*} taking into account the elements below for consideration and adoption by the CMA at its second session {*potential list below*}:

- (a) A prior consideration requirement.
- (b) Activities [shall][should] only be credited as additional as far as they fully account for relevant existing national and/or sectoral policies, in particular those implementing the NDC and low carbon development strategies and shall enable:
  - (i) The use and regular update of positive lists, while ensuring that positive lists are applied only in areas where there is low risk of non-additionality of individual activities;
  - (ii) The use of benchmarks, including performance benchmarks and financial return benchmarks – country specific approvals, subject to approval by host Parties.
- (c) Application of additionality requirements should encourage increase in ambition over time.

## **XIII. Mitigation activity cycle**

### **A to G**

17. *Requests* the SBSTA to develop further recommendations for the requirements for the mitigation activity cycle as set out in Section XIII {*see Annex I above*} that would be implemented by the Supervisory Body, for consideration and adoption by the CMA at its second session.

### **H. Forwarding/transfer from the mechanism/a registry**

18. *Requests* the SBSTA to develop recommendations for implementation of the forwarding/transfer, for consideration and adoption by the CMA at its second session.



## **I. Voluntary cancellation**

19. *Requests* the SBSTA to develop recommendations for the implementation of voluntary cancellation for consideration and adoption by the CMA at its second session.

## **J. Other processes associated with mitigation activities**

### **1. Grievance process/appeal rights**

20. *Requests* the SBSTA to develop recommendations for a grievance process/appeal rights that would be implemented by the Supervisory Body and/or the CMA, for consideration and adoption by the CMA at its second session.

### **2. Protection of human rights**

21. *Requests* the SBSTA to develop recommendations for processes to ensure protection of human rights that would be implemented by the Supervisory Body for consideration and adoption by the CMA at its second session.

### **3. Referral of matters to the committee referred to in Article 15**

22. *Requests* the SBSTA to develop recommendations for referral to the committee referred to in Article 15, paragraph 2, in accordance with its modalities and procedures, for consideration and adoption by the CMA at its second session.

### **4. Reporting**

23. *Requests* the SBSTA to develop recommendations on the information to be provided by each participating Party on its registered Article 6, paragraph 4 activities and on issuance, transfer, acquisition of A6.4ERs and use of A6.4ERs towards achievement of its NDC in accordance with Article 13, paragraph 13, for consideration and adoption at its second session.

## **XIV. Levy of share of proceeds towards administration and adaptation**

24. *Requests* the SBSTA to develop recommendations for the implementation of the share of proceeds for consideration and adoption by the CMA at its second session.

## **XV. Delivering overall mitigation in global emissions**

25. *Requests* the SBSTA to develop recommendations for the implementation of overall mitigation in global emissions for consideration and adoption by the CMA at its second session.

## **XVI. Avoiding the use of emission reductions by more than one Party**

*{no element for work plan for 2019}*

## **XVII. Safeguards/Other**

*{no element for work plan for 2019}*

## **XVIII. Transition from the Kyoto Protocol to Article 6, paragraph 4**

26. *Requests* the SBSTA to develop recommendations in relation to transition as set out in section XVIII *{see Annex I}* to Article 6, paragraph 4, including on the elements listed below, for consideration and adoption by the CMA at its second session *{potential list below}*:

- (a) *{all substantive elements from XVIII in Annex I, as per Option E}*
- (b) Authorization from the host Party;

- (c) The same requirements for CDM/JI activities as for Article 6, paragraph 4 activities;
- (d) Necessary steps for implementation of the transition;

## **XIX. Adaptation ambition**

27. *Requests* the SBSTA to develop recommendations for consideration and adoption by the CMA at its second session.

## **XX. Addressing negative social and economic impacts under Article 4, paragraph 15**

28. *Requests* the SBSTA to develop recommendations for consideration and adoption by the CMA at its second session.

***{END OF WORK PLAN FOR SBSTA}***

***{START OF WORK PLAN FOR THE SUPERVISORY BODY}***

29. *Requests* the Supervisory Body to develop recommendations on the following matters, in accordance with the rules, modalities and procedures *{see Annex I}*, for a draft decision for consideration and adoption by the CMA at its second session *{list of possible elements}*:

- (a) [...];

**DRAFT TEXT**

**on**

**SBSTA 48-2 agenda item 12(c)**

**Matters relating to Article 6 of the Paris Agreement:**

**Work programme under the framework for non-market approaches referred to in Article 6, paragraph 8, of the Paris Agreement**

**Version 1 of 9 September 02:00 hrs**

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**Draft CMA decision containing the draft work programme under the framework for non-market approaches referred to in Article 6, paragraph 8, of the Paris Agreement**

**I. Preamble**

**Option A {list of preambular paragraphs} {potential list below}**

*Pp1 Recognizing the need to ensure that non-market approaches under the framework for non-market approaches defined in Article 6, paragraph 8, of the Paris Agreement, hereinafter referred to as non-market approaches (NMAs), aim to promote mitigation and adaptation ambition,*

*Pp2 Also recognizing the need to ensure that NMAs provide incentives for progression beyond participating Parties' then current nationally determined contributions,*

*Pp3 Further recognizing the need to ensure that NMAs support participating Parties in meeting their mitigation objectives,*

*Pp4 Recalling that Parties to participate in NMAs on a voluntary basis,*

*Pp5 Recalling the need to ensure that the NMAs do not duplicate work under the Convention, the Kyoto Protocol, the Paris Agreement or other multilateral forums,*

*Pp6 Recalling that NMAs encourage international cooperation among stakeholders,*

*Pp7 Recalling that NMAs to identify opportunities to encourage Parties in replicating successful initiatives in thematic areas thus helping them to efficiently deliver their NDCs,*

*Pp8 Recalling that NMAs to be achieved through capacity building, while neither adversely affecting human rights nor employing discriminatory practices,*

**Option B {list of preambular paragraphs, including principles}**

*{potential list in Option A of section II in Annex I below}*

**Option C {no list of preambular paragraphs}**

*{no text required}*

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

1. *[Placeholder for adoption of Annex I to this decision {see Annex I}];*

2. *Requests the Subsidiary Body for Scientific and Technological Advice (SBSTA) to undertake the following work {see Annex II} and develop recommendations for a draft decision for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) at its second session (2019);*

3. *[Placeholder for review of the work programme at X future date];*

## Annex I

### **Draft decision on the work programme under the framework for non-market approaches referred to in Article 6, paragraph 8, of the Paris Agreement**

#### **I. Preamble**

*{see draft CMA adopting decision}*

#### **II. Principles**

##### **Option A {list of principles}**

1. The following principles guide the implementation of the framework for non-market approaches referred to in Article 6, paragraph 9, of the Paris Agreement<sup>1</sup> (hereinafter referred to as the framework) and the work programme under the framework for non-market approaches referred to in decision 1/CP.21, paragraph 39 (hereinafter referred to as the work programme) *{potential list below}*:

- (a) Principles for the framework *{further potential list below}*:
  - (i) Provide opportunities for sharing experience and best practices;
  - (ii) Preserve national prerogatives in relation to sustainable development in the implementation of non-market approaches (NMAs);
  - (iii) Provide enhanced support to developing countries through finance and capacity-building for the implementation of NMAs;
  - (iv) Operate within the context of Article 6 as a whole;
- (b) Principles for NMAs that are under the framework *{further potential list below}*:
  - (i) Contribute to the objectives of the Paris Agreement referred to in its Article 2;
  - (ii) In accordance with Article 6, paragraph 1, be participated in by Parties on a voluntary basis;
  - (iii) In accordance with Article 6, paragraph 1, allow for higher ambition of participating Parties in their mitigation and adaptation actions;
  - (iv) Pursuant to Article 6, paragraph 1, promote environmental integrity;
  - (v) In accordance with Article 6, paragraph 8, be integrated, holistic and balanced and assist in the implementation of nationally determined contributions (NDCs);
  - (vi) In accordance with Article 6, paragraph 8, promote sustainable development and poverty eradication;
  - (vii) In accordance with Article 6, paragraph 8(a), aim to promote mitigation and adaptation ambition;
  - (viii) In accordance with Article 6, paragraph 8(b), aim to enhance public and private sector participation in the implementation of NDCs;
  - (ix) In accordance with Article 6, paragraph 8(c), aim to enable opportunities for coordination across instruments and relevant institutional arrangements;
  - (x) In accordance with the preamble to the Paris Agreement, not infringe human rights and other rights;

<sup>1</sup> References to “Article” are to articles of the Paris Agreement, unless otherwise specified.

- (xi) Provide incentives for progression beyond participating Parties' then current NDCs pursuant to Article 4, paragraph 3;
- (xii) Maintain harmony among environmental, social and economic dimensions of sustainable development, taking into consideration Article 4, paragraphs 7 and 15;
- (xiii) Assist participating Parties in implementing the objectives of their NDCs;
- (xiv) Not duplicate work under the Convention, the Kyoto Protocol, the Paris Agreement or other multilateral forums;
- (xv) Not be reliant on market-based approaches but may provide incentives for domestic mitigation actions in the form of payments without transfer of units;
- (xvi) Ensure manageable sustainable development transition for all Parties;
- (xvii) Avoid unilateral measures and employ non-discriminatory practices.

**Option B {list of preambular principles}**

{see Option A of section I above}

**Option C {no principles}**

{no text required}

### III. Definitions {at SBSTA 48.1 Parties agreed to return to definition section when the content of the work programme is more settled}

2. {Placeholder for the potential list of definitions referred to in document SBSTA48.Informal.7.v2ed.<sup>2</sup> the "May informal note"}

## IV. Objectives/purposes

### A. Framework

3. The objectives/purposes of the framework are {potential list below}:
- (a) To contribute to the objectives of the Paris Agreement as set out in its Article 2;
  - (b) To allow for higher ambition of Parties in their mitigation and adaptation actions and to promote sustainable development and environmental integrity as referred to in Article 6, paragraph 1;
  - (c) To promote NMAs as referred to in Article 6, paragraph 9;
  - (d) To address the concerns of Parties with economies most affected by the negative social and economic impacts of response measures, particularly developing country Parties, as referred to in Article 4, paragraph 15.

### B. Work programme

4. The objectives/purposes of the work programme are {potential list below}:
- (a) To consider how to enhance linkages and create synergy between, inter alia, mitigation, adaptation, finance, technology transfer and capacity-building and how to facilitate the implementation and coordination of NMAs as referred to in decision 1/CP.21, paragraph 39;
  - (b) To enhance public and private sector participation in the implementation of NDCs as referred to in Article 6, paragraph 8(b).

<sup>2</sup> <https://unfccc.int/documents/181521>.

## V. Scope of the framework

### A. Non-market approaches under the framework

5. Each NMA under the framework meets the following:

*{Aims of non-market approaches as referred to in Article 6, paragraph 8(a), (b) and (c)}*

**Option A {meet all the aims}**

(a) Aiming to achieve all of the aims of NMAs referred to in Article 6, paragraph 8(a), (b) and (c).

**Option B {meet at least one of the aims}**

(b) Aiming to achieve at least one of the aims of NMAs referred to in Article 6, paragraph 8 (a), (b) and (c).

**Option C {applies in the context of Article 6, paragraphs 2 and 4}**

(c) Applying in the context of Article 6, paragraph 2, and Article 6, paragraphs 4-7 in the following manners:

(i) To enhance linkages and create synergies between, mitigation, adaptation, finance, technology transfer and capacity-building:

a. A developed country Party engaging in an activity under Article 6, paragraph 2 and/or Article 6, paragraph 4 [shall] [should] be recognized for the finance, technology transfer and/or capacity-building support it contributes in the course of this activity, if the mitigation outcomes are not transferred and only used by the host developing country Party of this activity towards its NDC;

b. The recognition [shall] [should] be proportional to the mitigation outcomes retained by the host Party;

c. The work programme [shall] [should] coordinate with, inter alia, the Standing Committee on Finance (SCF), the Technology Executive Committee (TEC), the Climate Technology Centre and Network (CTCN) and the Paris Committee on Capacity-building (PCCB) *{appears to be a work programme activity or an objective of the work programme}*;

(ii) To enhance linkages and create synergies between, mitigation and adaptation, the work programme [shall] [should] assist Parties in identifying opportunities to incorporate the mitigation co-benefits from adaptation actions and/or economic diversification as outcomes of activities under Article 6, paragraph 2 and/or Article 6, paragraph 4 that may be used towards NDCs. *{appears to be a work programme activity or an objective of the work programme}*.

**Option D {no reference to the aims}**

*{no text required}*

6. Each NMA under the framework also meets the following:

*{Voluntary cooperation between Parties in the implementation of their NDCs}*

*{potential list below}*

(a) Involving more than one participating Party in voluntary cooperation that is bilateral, regional or multilateral;

(b) Involving more than one participating Party and public and private sector participant(s);

(c) Encouraging voluntary cooperation between Parties;

(d) Aiming to assist in the implementation of NDCs of the participating Parties;

***{Relationship with/ Nature of NMAs in relation to internationally transferred mitigation outcomes referred to in Article 6, paragraph 2}***

*{potential list below}*

- (e) Not creating or issuing any ITMOs/nationally determined contribution limitation quotient units;
- (f) Not transferring any ITMOs;
- (g) Not involving any market-based approaches;

***{Integrated, holistic and balanced nature of NMAs}***

*{potential list below}*

- (h) Covering more than one of each of the following areas: mitigation, adaptation, finance, technology transfer and capacity-building;
- (i) Avoiding duplication with the work of subsidiary and constituted bodies under or related to the Convention, the Kyoto Protocol and the Paris Agreement and other multilateral;
- (j) Aiming to promote sustainable development and poverty eradication in accordance with Article 6, paragraph 8.

**VI. Governance of the framework** *{Option C may not be mutually exclusive with Option B and Option D. Option C may be further developed with elements from Option B and Option D}*

**Option A {SBSTA agenda item}**

7. The framework and the work programme will be implemented by the Subsidiary Body for Scientific and Technological Advice (SBSTA) at its first/second/first and second sessional period meeting each year, with its first meeting taking place at its X session.

**Option B {task force}**

8. A task force for the framework (hereinafter referred to as the task force) is hereby established to maintain and operationalise the broader nature of NMAs including:

- (a) Addressing linkages between mitigation and adaptation, and matching them to the finance, technology transfer and capacity-building needs of developing countries Parties by building on existing processes and institutional arrangements, such as the SCF, TEC, CTCN and PCCB, and the Local Communities and Indigenous Peoples Platform;
- (b) Providing alternative opportunities for the voluntary cooperation of Parties beyond the scope of Article 6, paragraph 2 and Article 6 paragraph 4.

9. The task force will be convened by the Chair of the SBSTA. The task force will meet twice a year in conjunction with the sessions of the SBSTA.

**Option B1 {composition of the task force}**

10. The task force comprises X members as follows:

- (a) X members from Parties to the Paris Agreement, with balanced regional representation, appointed by the President of the Conference of the Parties (COP)/elected by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA);
- (b) X members from social organizations nominated by Parties, with balanced regional representation;
- (c) X members from the Board of the Green Climate Fund (GCF), the TEC and the Paris Committee on Capacity-building.

11. Two co-chairs of the task force will be appointed, one being a member from a developing country Party and one from a developed country Party.

**Option B2 {alternative composition of the task force}**

12. The task force comprises X members with equal representation of developing country Parties and developed country Parties as follows:

- (a) X members from each of the five United Nations regional groups;



- (b) X members from developed country Parties;
- (c) X members from developing country Parties;
- (d) X members from the least developed country Parties;
- (e) X members from small island developing States.

**Option C {permanent forum held in conjunction with the meetings of the subsidiary bodies}**

13. A forum for the framework (hereinafter referred to as the forum) is hereby established to implement the framework and the work programme.

14. The forum will be convened by the Chair of the SBSTA. The forum will meet in conjunction with the first/ second/first and second sessional period meeting of the SBSTA.

**Option D {existing committees and structures (e.g. Adaptation Fund, Standing Committee on Finance) with or without expansion of their terms of reference}**

15. Work programme activities under the framework will be implemented by the existing constituted bodies under the Convention, the Kyoto Protocol and the Paris Agreement that carry out activities relevant to the work programme activities under the framework (hereinafter referred to as the existing committees and structures) to the extent possible within their existing terms of reference and the availability of their financial resources.

16. Where necessary, the terms of reference of the existing committees and structures and work programme activities will be reviewed by the existing committees and structures with a view to enabling them to carry out the relevant work programme activities under the framework in the context of the implementation of the framework and the work programme. Where appropriate, draft revisions to the terms of reference of the existing committees and structures and work programme will be recommended by the existing committees and structures for consideration and adoption by the COP, the CMA, or the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), as appropriate, at its X, Y and Z session, respectively.

**Option E {Committee for the Future}**

17. The Committee for the Future is hereby established. The framework and the work programme will be implemented/supervised by the Committee for the Future under the authority and guidance of the CMA.

**Option F {Party determines its own governance structures}**

18. Governance arrangements for the framework may be established by any Party in order to implement the framework and supervise its national work programme under the framework within the Party.

19. In order to facilitate the implementation, each participating Party is encouraged to voluntarily develop its national work programme, determine NMAs within the Party and report on the implementation of the NMAs in accordance with paragraph 35 below {see option B of section IX (Reporting)}.

**Option G {through the work programme, jointly by the SBSTA and the SBI, in consultation and with existing UNFCCC bodies}**

20. The framework and the work programme will be jointly coordinated by the Subsidiary Body for Implementation (SBI) and the SBSTA including through the technical examination process on mitigation referred to in decision 1/CP.21, paragraph 109 and that on adaptation referred to in decision 1/CP.21, paragraph 124.

21. The technical examination process on mitigation will be conducted by the secretariat in consultation with the TEC and the CTCN and in accordance with their respective mandates.

22. The technical examination process on adaptation will be conducted by the Adaptation Committee in consultation with the SCF, the TEC, the Least Developed Countries Expert Group (LEG) and observer constituencies and with support from the secretariat.

**Option H {determine the need for governance arrangements after the completion of certain phases/steps/stages of the work programme}**

23. {see Annex II}

**Option I {Article 6 body}**

24. {Placeholder for Article 6 body}

**Option J {no organizational arrangements for the framework}**

{no text required}

## **VII. Modalities of the work programme**

**Option A {collective approach}**

25. The modalities of the work programme may include {potential list below}:

- (a) Workshops;
- (b) Regular meetings with public and private sector participants, including technical experts, business, civil society organizations and financial institutions, and the subsequent publication of the outcomes of the regular meetings;
- (c) A web-based repository of submissions from Parties, observer organizations and public and private sector participants;
- (d) A public web-based platform that facilitates identification of opportunities to enhance linkages and create synergies between, inter alia, mitigation, adaptation, finance, technology transfer and capacity-building;
- (e) A public web-based platform that aims to match the needs of participating Parties and public and private sector participants for the development and implementation of NMAs with the support offered by other Parties and other public and private sector participants;
- (f) A public web-based registry for: {potential list below}
  - (i) The Adaptation Benefit Mechanism;
  - (ii) The environmental balance index;
- (g) Technical papers and synthesis reports prepared by the secretariat;
- (h) Coordination, where needed, between the A6.8 governance and: {potential list below}
  - (i) The forum on the impact of the implementation of response measures referred to in decision 1/CP.21, paragraph 33;
  - (ii) Relevant bodies and institutional arrangements under the Paris Agreement on the focus areas under consideration {Applies to paragraph 28(a), 28(g) or Option A3 below};
- (i) Technical examination process on mitigation referred to in decision 1/CP.21, paragraph 109 and that on adaptation referred to in decision 1/CP.21, paragraph 124, with a condition that there is a decision to continue technical examination processes post-2020;
- (j) Submissions from Parties and non-Parties.

**Option B {national approach} {potential list below}**

26. Submissions may be made by Parties voluntarily developing and implementing national work programmes to the SBSTA, as appropriate, in accordance with paragraphs 18 and 19 above, and by public and private sector participants developing and implementing NMAs within the Parties {see Option F of section VI (Governance of the framework)}.

**Option C {negative list of the modalities of the work programme}**

27. In implementing the work programme activities referred to in section VIII (Work programme activities), the following modalities of the work programme will be refrained from. {draft text is needed}

**Option D {decide modalities after decision on the work programme}**

{see Annex II}

## VIII. Work programme activities

### Option A {stepped/staged/sequenced activities}

#### A. Stepped/staged/sequenced {the term “STEP” is used below for succinctness} activities

28. The following stepped activities will be implemented in the period X–Y {potential list below}:

##### Option A1 {six steps including activities under Section VIII.B (Other activities)}

(a) STEP 1: Identify areas of focus by:

###### Option A1.1 {outputs of the technical examination process}

(i) drawing on the outputs of the technical examination processes on mitigation and adaptation.

###### Option A1.2 {guidance for the areas of focus}

(ii) developing guidance for the areas of focus.

###### Option A1.3 {guidance for the areas of focus plus identifying the specific areas in this decision}

(iii) developing guidance for the areas of focus, including {further potential list below}:

###### Option A1.3a {six areas of focus}:

- a. Joint mitigation and adaptation for the integral and sustainable management of forests;
- b. Social ecological resilience;
- c. Avoidance of greenhouse gas emissions;
- d. Ecosystem-based adaptation;
- e. Integrated water management;
- f. Energy efficiency schemes;

###### Option A1.3b {five areas of focus referred to in Article 6, paragraph 8}:

- g. Mitigation;
- h. Adaptation;
- i. Finance;
- j. Technology transfer;
- k. Capacity-building;

- (b) STEP 2: Identify existing activities in the areas of focus that are considered to be NMAs in accordance with section V.A above (Non-market approaches under the framework);
- (c) STEP 3: Identify existing linkages, synergies, coordination and implementation in relation to those NMAs, and identify, record and evaluate the positive and other experience from those NMAs;
- (d) STEP 4: Identify opportunities to enhance the existing linkages, create synergies, and facilitate coordination and implementation of NMAs, including in the local, national and global context;
- (e) STEP 5: Assess the results of the previous steps and develop and recommend conclusions on how to enhance existing linkages and create synergies for consideration by the CMA at its eighth session {2025};
- (f) STEP 6: Take action to enhance linkages and create synergies while avoiding duplication of its activities with those under the subsidiary and constituted bodies under or related to the Convention, the Kyoto Protocol and the Paris Agreement and other multilateral forums.

##### Option A2 {three steps including activities under Section VIII.B (Other activities)}

- (g) STEP 1: Identify areas of focus by {see areas of focus as per Option A1.1, A1.2 or A1.3 referred to in paragraph 28(a)(i), 28(a)(ii) or 28(a)(iii) above} and identify existing activities in the areas of focus that are considered to be NMAs in accordance with section V.A above (Non-market approaches under the framework);

- (h) STEP 2: Identify:
  - (i) Existing linkages, synergies, coordination and implementation in relation to those NMAs, and identify, record and evaluate the positive and other experience from those NMAs;
  - (ii) Opportunities to enhance the existing linkages, create synergies, and facilitate coordination and implementation of NMAs, including in the local, national and global context;
- (i) STEP 3: Assess the results of the previous steps and develop and recommend conclusions on how to enhance existing linkages and create synergies for consideration by the CMA at its eighth session {2025}; and take action to enhance linkages and create synergies while avoiding duplication of its activities with those under the subsidiary and constituted bodies under or related to the Convention, the Kyoto Protocol and the Paris Agreement and other multilateral forums.

**Option A3 {no “STEP” for activities under Option A1 or A2}**

{Option A1 without terms “STEP 1:”, “STEP 2:”, “STEP3:”, “STEP4:”, “STEP5:” and “STEP6:” or Option A2 without terms “STEP 1:”, “STEP 2:” and “STEP3:”}

**Option B {no stepped/staged/sequenced activities}**

{no text required}

**B. Other activities**

- 29. The following activities will be implemented in the period X–Y {potential list below}:
  - (a) Identifying, developing and implementing tools, including {further potential list below}:
    - (i) A public web-based platform that aims to match the needs of participating Parties and public and private sector participants for the development and implementation of NMAs, including finance, technology transfer and capacity-building, with the support offered by other Parties and other public and private sector participants;
    - (ii) A UNFCCC web-based platform to register, officially recognize and exchange information on NMAs;
    - (iii) A web-based clearing house mechanism to enable participating Parties and public and private sector participants to identify opportunities for collaboration in developing and implementing NMAs;
    - (iv) A public list of activities that should not form a part of the work programme activities;
    - (v) Tools to address possible negative social and economic impacts of activities under Article 6;
    - (vi) Tools to measure and monitor the implementation of NMAs in the context of sustainable development and poverty eradication;
  - (b) Identifying and sharing relevant information, best practices, lessons learned and case studies for the development and implementation of NMAs, including on {further potential list below}:
    - (i) Opportunities for replication of successful NMAs including in the local, national and global context;
    - (ii) Enabling environments and policy frameworks for the development and implementation of NMAs;
    - (iii) Successful cross-cutting policy and regulatory approaches to developing and implementing NMAs;
    - (iv) Barriers to and incentives for:
      - a. Enhancing the engagement of and addressing the needs of the private sector, exposed and impacted sectors and communities in NMAs;
      - b. Achieving a just transition of the workforce;
    - (v) Measures related to education, training, public awareness, public participation and public access to information to promote greater mitigation and adaptation ambition;

- (vi) Approaches to leveraging and generating mitigation and adaptation co-benefits;
- (c) Developing and implementing specific activities including *{further potential list below}*:
  - (i) The Adaptation Benefit Mechanism;
  - (ii) The work programme of the Committee for the Future, including arrangements for the environmental balance index.

**Option C *{streamed/tracked activities}***

- 30. The following streams of activities will be simultaneously implemented in the period X–Y:

**Option C1 *{placeholders for three streamed/tracked activities}***

- (a) *{Placeholder for stream/track 1: Elements for immediate implementation}*.
- (b) *{Placeholder for stream/track 2: Elements for identifying activities and making recommendations}*;
- (c) *{Placeholder for stream/track 3: Elements that are already mature but need further work}*;

**Option C2 *{six stepped/staged/sequenced activities applied to two streams/tracks}***

- (d) Stream/track 1: Activities for immediate actions under STEP 6 referred to in paragraph 28(f) above;
- (e) Stream/track 2: Other activities under STEP 1-5 referred to in paragraphs 28(a)-(e) above.

**Option D *{phased activities}***

- 31. The work programme starts with an initial phase for the period of one year in 2019.
- 32. The expected outcomes for the initial phase of the work programme are:
  - (a) Information on opportunities to:
    - (i) Enhance linkages and create synergy between, inter alia, mitigation, adaptation, finance, technology transfer and capacity-building;
    - (ii) Facilitate the implementation and coordination of NMAs;
  - (b) Draft decisions on the next steps required for the further operationalisation of the framework.
- 33. Activities for the initial phase are:
  - (a) Inviting submissions from the Parties by no later than 30 March 2019 on:
    - (i) Further operationalization of the framework;
    - (ii) Opportunities to enhance linkages and create synergy between, inter alia, mitigation, adaptation, finance, technology transfer and capacity-building and to facilitate the implementation and coordination of NMAs;
    - (iii) Inputs to the technical paper referred to in paragraph 33(b) below;
  - (b) Preparing a technical paper to identify opportunities to enhance linkages and create synergy between, inter alia, mitigation, adaptation, finance, technology transfer and capacity-building and to facilitate the implementation and coordination of NMAs, taking into consideration prior submissions from the Parties and SBSTA Chair's informal note published at Xth session of the SBSTA, for consideration by Parties at the fiftieth session of the SBSTA;
  - (c) Organizing a workshop in conjunction with fiftieth session of the SBSTA to:
    - (i) Consider submissions from Parties and the technical paper prepared by the secretariat referred to in paragraphs 33(a) and 33(b) above;
    - (ii) Consider what decisions might be recommended on the next steps and the operationalisation of the framework;
  - (d) Publishing a report on the workshop referred to in paragraph 33(c) above for consideration by Parties prior to the fifty-first session of the SBSTA;

- (e) Developing and recommending draft decisions on the second phase of the work programme in 2020 to further operationalize the framework for consideration and adoption by the CMA at its second session.

## **IX. Reporting**

### **Option A {reporting by the A6.8 governance to the CMA}**

34. The progress and outcomes of the work programme will be reported by the A6.8 governance to each session of the CMA. {see Annex II for the potential list of reporting items on the progress and outcomes of the work programme}

### **Option B {reporting by Parties on the implementation of NMAs under Article 13}**

35. The implementation of NMAs will be reported by a Party involved in the implementation in accordance with Article 13. {see Annex II for the potential list of reporting items on the implementation of NMAs}

### **Option C {both Option A and B}**

{see Options A and B above}

### **Option D {decide reporting after decision on the work programme}**

{see Annex II}

### **Option E {use other relevant reporting modalities under the Paris Agreement}**

{see Annex II}

### **Option F {no reporting under the framework}**

{no text}

## **X. Review**

### **A. Review of annual report**

36. The report from the A6.8 governance referred to in section IX (Reporting) will be reviewed by the CMA on an annual basis. Guidance to the report will be provided by the CMA, where appropriate {applies for Options A and C in section IX (Reporting)}.

### **B. Review of the work programme**

37. This decision on the work programme under the framework for non-market approaches, including the work programme's objectives/purposes and governance/modalities/activities, will be reviewed by the CMA:

#### **Option A {provide recommendations to Parties after the periodic review}**

- (a) and guidance to the A6.8 governance will be provided by the CMA every X years, beginning at its sixth session (November 2023), taking into account recommendations from the A6.8 governance and the outcomes of the global stocktake.

#### **Option B {review in 2023 in order to improve effectiveness with a view to adopting a decision on the outcome of the review}**

- (b) by no later than its sixth session (November 2023) with a view to adopting a decision on the outcome of the review by no later than at that session.

## Annex II

### Draft work plan of follow-up work to be carried out in 2019

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

1. *Requests* the Subsidiary Body for Scientific and Technological Advice (SBSTA) to undertake the work set out below and develop recommendations for a draft decision for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) at its second session (2019);

#### I. Preamble

*{no element for work plan for 2019}*

#### II. Principles

*{no element for work plan for 2019}*

#### III. Definitions

*{no element for work plan for 2019}*

#### IV. Objectives/purposes

*{no element for work plan for 2019}*

#### V. Scope of the framework

*{no element for work plan for 2019}*

#### VI. Governance of the framework

**Option H** *{determine the need for governance arrangements after the completion of certain phases/steps/stages of the work programme}*

2. *Requests* the SBSTA to, where the work programme concludes that there is a need for organizational or governance arrangements for the framework, make recommendation on such arrangements for consideration and adoption by the CMA at its second session (November 2019);

#### VII. Modalities of the work programme

**Option D** *{decide modalities after decision on the work programme}*

3. *Requests* the SBSTA to develop and recommend draft modalities of the work programme for consideration and adoption by the CMA at its second session (November 2019), taking into account recommendations from the A6.8 governance;

#### VIII. Work programme activities

**Option C** *{phased activities}*

4. *Requests* the SBSTA to implement the activities for the initial phase of the work programme;

## IX. Reporting

### **Option A {reporting by the A6.8 governance to the CMA}**

5. *Requests* the SBSTA to, taking into account recommendations from the A6.8 governance, develop and recommend draft reporting items by the A6.8 governance on the progress and outcomes of the work programme, for consideration and adoption of the CMA at its second session (November 2019), including {potential list below}:

- (a) A summary of the best practices for developing and implementing NMAs;
- (b) A summary of the support available to Parties for developing and implementing NMAs;
- (c) Recommendations to the Green Climate Fund (GCF) and other financial institutions on how to enhance support to NMAs;

### **Option B {reporting by Parties on the implementation of NMAs under Article 13}**

6. *Requests* the SBSTA to, taking into account recommendations from the A6.8 governance, develop and recommend draft reporting items by Parties on their implementation of NMAs, for consideration and adoption of the CMA at its second session (November 2019), including, as relevant {potential list below}:

- (a) How the NMAs promoted mitigation and adaptation ambition in its NDC, enhanced public and private sector participation in the implementation and enabled opportunities for coordination across instruments and relevant institutional arrangements;
- (b) Confirmation that implementation of the NMAs did not involve any transfer of ITMOs;
- (c) How the NMAs contributed to sustainable development and poverty eradication;
- (d) Information on support provided, received and needed on finance, technology transfer and capacity-building for implementing the NMAs;

### **Option D {decide reporting after decision on the work programme}**

7. *Requests* the SBSTA to develop and recommend draft modalities for the reporting under the framework for consideration and adoption by CMA at its second session (November 2019) taking into account recommendations from the A6.8 governance;

### **Option E {use other relevant reporting modalities under the Paris Agreement}**

8. *Requests* the SBSTA to recommend other relevant reporting modalities under the Paris Agreement for consideration and adoption by the CMA at its second session (November 2019), taking into account recommendations from the A6.8 governance.

## X. Review

{no element for work plan for 2019}

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## **Revised additional tool under item 4 of the agenda**

### **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**

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

##### *Final iteration*

1. The annex to this note captures the outcome of Parties' work under agenda item 4, "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". The note was prepared, under their own responsibility and under the guidance of the APA Co-Chairs, by the co-facilitators of the negotiations on this item, Ms. Beth Lavender (Canada) and Mr. Julio Cordano (Chile).

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.

3. The following context is relevant to this note:

(a) The content is not exhaustive and does not represent agreed views, ideas or text. Different views on the various sections and proposals have been expressed. Options have been indicated where they have been articulated by Parties to date;

(b) There are two proposals for the guidance: (1) single or common guidance applicable to any vehicle chosen by a Party to convey its adaptation communication or (2) vehicle-specific guidance. The proposals are presented as not mutually exclusive. The tool in no way prejudges Parties' views on this issue;

(c) In section IV of the tool, the text in italics provides descriptions of the types of information suggested by Parties in relation to some of the elements but does not represent convergence of views among Parties. The italicized text is intended to provide broader ideas on possible information that the elements may include if a Party chooses to do so, subject to availability and applicability. It is not intended to provide a prescriptive or exhaustive description of the elements, given that adaptation actions follow a country-driven approach. At the same time, this does not preclude the addition of similar types of information in other sections of the tool;

(d) Some Parties proposed "requesting the Intergovernmental Panel on Climate Change to prepare a methodology report to provide guidelines on a suite of methodologies and approaches for communicating adaptation information, according to Article 7.10 and 7.11, that facilitate aggregation towards understanding collective progress towards adaptation goals". Other Parties were opposed to that proposal.

## Annex

### Additional tool under item 4 of the agenda

#### **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**

#### Contents

	Paragraphs	Page
I. Decision .....		2
1. Preamble.....		2
2. Purpose.....		3
3. Adoption of the guidance .....		3
4. Principles.....		4
5. Modalities for communicating, submitting and updating the adaptation communication .....		4
6. Modalities to update/revise/review the guidance .....		4
7. Modalities of support for the preparation, updating and implementation of the adaptation communication .....		5
8. Linkages .....		5
II. ANNEX I of the informal note at APA 1.5 .....		7
III. ANNEX II of the informal note at APA 1.5.....		9
IV. Element headings and subheadings from section II.....		10

## **I. Decision<sup>1</sup>**

### **1. Preamble**

#### **Option 1:**

*Recalling* relevant provisions of the Convention, including the principle of common but differentiated responsibilities and respective capabilities.

*Recalling* relevant provisions of the Paris Agreement, including its Articles 2, 3, 4, 7, 9, 10, 12, 13, and 14.

*Recognizing* the importance of flexibility provided to Parties by Article 7, paragraphs 10 and 11, for the submission and updating of the adaptation communication.

*Recalling* the guidance for existing communications or documents, in particular the guidance contained in decisions 4/CP.5, 17/CP.8, and 5/CP.17.

*Recognizing* the links between adaptation and sustainable development, including the link between the Sustainable Development Goals and the Sendai Framework for Disaster Risk Reduction, as well as the importance of adaptation in the context of the climate change response for ensuring equitable access to sustainable development and eradication of poverty in developing countries.

<sup>1</sup> The structure of this document is without prejudice to the form of the final outcome of the work of the APA, with regards to a single or multiple decisions.

*Recalling* that continuous and enhanced international support shall be provided to developing country Parties for the implementation of paragraphs 7, 9, 10 and 11 of Article 7 of the Paris Agreement, in accordance with the provisions of Articles 9, 10 and 11.

**Option 2:**

*Recalling* relevant provisions of the Convention, and Article 7 of the Paris Agreement.

**2. Purpose**

**Option 1:**

**(a) Purpose of this guidance<sup>2</sup>**

1. The purpose of this guidance is to:
  - (a) Assist Parties in submitting and updating an adaptation communication;
  - (b) Assist Parties in communicating information referred to in Article 7.10 (priorities, implementation and support needs, plans and actions);
  - (c) Facilitate learning, cooperation, and support.

**(b) Purpose of an adaptation communication**

2. The purpose of an adaptation communication is to:
  - (a) Communicate national adaptation priorities, implementation and support needs, plans and actions;
  - (b) Contribute to and inform overall progress in achieving the global goal on adaptation;
  - (c) Raise visibility and profile of adaptation in parity with mitigation;
  - (d) Strengthen adaptation action, enhance and catalyze support for developing countries;
  - (e) Assist developing countries to build and retain capacity;
  - (f) Provide input to the global stocktake;
  - (g) Communicate adaptation efforts of developing countries for recognition;
  - (h) Communicate adaptation actions and/or economic diversification plans and/or national development plans that result in mitigation co-benefits as a component of or in conjunction with the NDCs.

**Option 2:**

1. The purpose of an adaptation communication is to:
  - (a) Communicate adaptation priorities, implementation and support needs, plans and actions, as appropriate, in order to contribute to the assessment of progress towards the global goal for adaptation, including as an input to the global stocktake.
  - (b) Enhance learning and understanding of adaptation needs and actions, by sharing experiences, good lessons learned, evidence and good practices.

**Option 3: no text**

**3. Adoption of the guidance<sup>3</sup>**

**Option 1:**

1. *Decides* to adopt the guidance in relation to the adaptation communication[, including, inter alia, as a component of nationally determined contributions,] contained in annex/annexes/decision.

<sup>2</sup> This section could be reflected in annex/annexes.

<sup>3</sup> The content of this section will depend on the legal process of the adoption of the outcome of the APA.

## **Option 2: No text**

### **4. Principles**

#### **Option 1:**

1. *Decides* that in preparing, submitting, implementing and updating adaptation communications Parties should be guided and take into account, inter alia, the following principles:

(a) Equity and common but different responsibilities and respective capabilities in light of different national circumstances;

(b) The flexibility provided to Parties by Article 7, paragraphs 10 and 11, including the choice of communication or documents for the adaptation communication;

(c) The adaptation communication is not mandatory, does not pose an additional burden on developing country Parties, and is not a basis for comparisons between Parties nor a basis for review;

(d) The specific needs and special circumstances of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change, should be given full consideration, as provided for in the Convention;

(e) The adaptation communication should follow a country driven approach;

(f) The recognition of adaptation actions and/or economic diversification plans and/or national development plans that result in mitigation co-benefits.

#### **Option 2: No text**

### **5. Modalities for communicating, submitting and updating the adaptation communication**

1. According to the flexibility in Article 7, paragraphs 10 and 11, of the Paris Agreement, the adaptation communication shall be, as appropriate, submitted and updated periodically, as a component of or in conjunction with other communications or documents, including a national adaptation plan, a nationally determined contribution as referred to in Article 4, paragraph 2 of the Paris Agreement, and/or a national communication.

2. Decision of supplementary information according to the vehicle, as appropriate.

3. Timing to start applying the guidance, e.g. immediately upon its adoption.

4. Timing/frequency in relation to the vehicle.

5. The adaptation communications shall be recorded in a public registry maintained by the secretariat in accordance with the modalities and procedures being developed by the SBI.

6. Modalities for parties that choose to submit adaptation communication as a component of or in conjunction with the NDC as presented in annex II/decision.

7. Any information that could be useful in clarifying adaptation communications.

8. Provisions related to building on, and taking into account, current guidelines for existing vehicles.

9. Adaptation communication should be clearly identified, from beginning to end, within the vehicle, including by numbering the first and subsequent adaptation communication.

10. Encourages Parties to submit their adaptation communications, using the guidance contained in the annex/annexes/decision.

### **6. Modalities to update/revise/review the guidance**

1. Option 1: *Decides* to [revise] [review] the guidance contained in annex/annexes/decision by its [X] session.

Option 2: *Decides* to, at its [X] session, take stock of, and if necessary revise, the guidance contained in the annex/annexes/decision, taking into account the experiences of Parties in implementing the guidance.

2. Invites Parties to submit, by [X], their experiences on the use of the guidance contained in the annex/annexes/decision to assist the revision referred to in paragraph 1 above.
3. Requests the secretariat to prepare a synthesis report of the submissions of Parties referred to in paragraph 2 above.
4. Guidance on adaptation communication as a component of or in conjunction with NDC to be updated/revised/reviewed in concurrence with the update/revision/review of NDC (APA 3) guidance.

## **7. Modalities of support for the preparation, updating and implementation of the adaptation communication**

### **Option 1:**

1. Urges developed country Parties to channel new and additional public climate funds to support adaptation activities in developing countries, recognizing the importance of adaptation communications as a key step toward achieving the global goal on adaptation of enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change.
2. Requests the operating entities of the Financial Mechanism of the Convention, in particular, Global Environment Facility (GEF) and Green Climate Fund (GCF) to provide support to developing country Parties in preparing and submitting their adaptation communications [and NDC].<sup>4</sup>
3. Further requests GCF, GEF and Adaptation Fund, to support developing country Parties in the implementation of their adaptation priorities and support needs, plans and actions as outlined in their adaptation communication.
4. Requests the Climate Technology Centre and Network (CTCN) and Paris Committee on Capacity Building (PCCB), within their respective mandates, to support developing countries in the implementation of their adaptation priorities and support needs, plans and actions as outlined in their adaptation communication.
5. Placeholder on the mandate of the AC/LEG/SCF on the mobilization of support.
6. Placeholder on provisions related to reporting on support to be addressed under APA item 5.

### **Option 2:**

1. Recognition of the availability of support for the preparation of adaptation communications through existing financial institutions under the Convention.

### **Option 3: No text<sup>5</sup>**

## **8. Linkages**

### **Option 1:**

1. The purpose of the adaptation communication in the global stocktake is to:
  - (a) Option 1: enable recognition of efforts, enhance implementation, review adequacy and effectiveness of actions and support, and review overall progress towards the global goal on adaptation;
  - Option 2: enhance adaptation action as established in Article 7, paragraph 14 (b).
  - Option 3: enhance adaptation action as established in Article 7, paragraph 14 (b), and to recognize adaptation efforts of developing countries.
2. Modalities for operationalizing the link between the adaptation communications with the global stocktake (including, i.a. a synthesis report by the secretariat, and synchronizing the timing

<sup>4</sup> It was proposed that references to sources of finance should be generic.

<sup>5</sup> Provisions related to support could be reflected in the preamble, and provisions related to reporting on support under APA item 5.

of adaptation communications with the global stocktake cycle), and providing a space for discussion this operationalization.

3. Transparency framework, including:

- (a) Importance of ensuring consistency of information, avoiding additional burdens on developing countries, and avoiding duplications;
- (b) Reporting under Article 13.8 as a possible vehicle;
- (c) Adaptation information reported by Parties should not be subject to review;
- (d) Reporting of the implementation of the adaptation communication for recognition of efforts, understanding progress made and sharing of lessons learned;
- (e) Information on adaptation actions and/or economic diversification plans and/or national development plans that result in mitigation co-benefits;
- (f) Parties can opt for information communicated as a component of or in conjunction with NDC on adaptation actions and/or economic diversification plans and/or national development plans that result in mitigation co-benefits to be subject to review under article 13.7 (b) of the Paris Agreement;
- (g) The adaptation communication and reporting have a fundamentally different character and purpose. Adaptation communications are a contribution, recorded in its public registry. Transparency of adaptation has the nature of reporting on implementation actions;
- (h) A clear division of labour would help remove the duplication between APA items 4 and 5. List of specific elements for consideration under APA items 4 and 5:
  - (i) Work on item 4: national circumstances; impacts, vulnerabilities and risk assessments; adaptation priorities, policies, plans, actions, strategies and/or programmes, as appropriate; adaptation support needs of developing country Parties;
  - (ii) Work on item 5: information related to loss and damage (section D.5), progress on implementation of adaptation (section D.7), monitoring and evaluation of adaptation actions and process (section D.8); cooperation, good practices, experiences and lessons learned (section D.9); recognition of adaptation efforts (section D.11), reporting formats section D.12).

4. Finance, including:

- (a) Availability of support to prepare an adaptation communication;
- (b) The relationship of the adaptation communication with arrangements for support.

5. Technology.

6. Capacity-building.

7. Registry, including:

- (a) Placeholder for the modalities being developed by the SBI;
- (b) Processing the adaptation communication after it has been recorded.

8. Work of the constituted bodies.

9. Other international processes, such as SDGs and the Sendai Framework.

10. Relevant cross-cutting issues to be considered when developing an adaptation communication.

**Option 2: No text<sup>6</sup>**

<sup>6</sup> Provisions related to linkages could be reflected in the preamble.

## II. ANNEX I of the informal note at APA 1.5

### 1. Introduction

1. *Recognising* the [non-mandatory] nature of adaptation communications, Parties may provide information at their discretion on any of the elements within their adaptation communication as a component of or in conjunction with other communications or documents, including a national adaptation plan, a nationally determined contribution as referred to in Article 4, paragraph 2, and/or a national communication.
2. *Further recognising* that Parties have discretion to submit ex-ante and ex-post information through a single or separate reporting channels, as a Party so chooses.
3. Definition and guidance note.
4. Explanation on how to apply the guidance.
5. Encouragement to use the structure for an adaptation communication, considering the discretion relevant to existing vehicles.
6. Encouragement to use and identify relevant methodologies and existing guidance.

### 2. Proposals for structuring the elements 1-16 contained in section 3 (elements), option 1, below

Option	Common elements	Opt in opt out elements
(a)	1-10	11-16
(b)	1-10, 16	11-15
(c)	1-4	5, 9-11, 16
(d)	1-5 + others	7, 9 + others
(e)	1-4	5-16
(f)	1-4, 7	5-6, 8-16
(g)	1-4, 7	10-11, 14
(i)	1-3, 9, 14	To be determined
(j)	1-4	5-16
(i)	NA	1-16

### 3. Elements

#### Option 1:

1. National circumstances, including population, levels of development, legal frameworks and institutions.
2. Expected impacts, risks and vulnerability assessments, and adaptive capacity.
3. Adaptation priorities, policies, plans, actions, strategies, programmes, resilience-building activities, national goals related to adaptation, and expected results, as appropriate.
4. Adaptation support needs of developing country Parties / Implementation and support needs, including the costs of meeting those adaptation needs.

5. Adaptation efforts of developing countries (for recognition).
6. Implementation of adaptation actions, and results achieved.
7. Communication of indicative projected levels of public financial resources to be provided by developed country Parties to developing country Parties, including finance, technology and capacity building.
8. Information on synergies with other international conventions.
9. Good practices, lessons learned and information sharing.
10. Barriers for implementation of adaptations, challenges, and gaps.
11. Economic diversification plans; information on adaptation actions and/or economic diversification plans and/or national development plans that result in mitigation co-benefits.
12. Cooperative dimension at the national, regional and international level / Cooperation to enhance adaptation at national, regional and international levels.
13. Progress on implementing adaptation actions and plans.
14. Traditional knowledge or community-based adaptation climate change and local communities' involvement.
15. Legal framework and institutional arrangements as appropriate.
16. Monitoring and evaluation, and approaches used.

**Box: suggestions for further work on elements 1-16 above**

- After each element, add a concise description of the element, including building from existing guidance such as national communications and national adaptation plans.
- Consider relevant elements jointly with APA item 5 (transparency framework).
- Merge elements 5-7.
- Merge elements 6, 9 and 12.
- Merge element 6 into element 3.
- Merge element 8 into elements 9 or 12.
- Merge element 13 into element 6.
- Merge elements 14 and 15 into element 3.
- Move elements 8 and 9 into other sections.

**Option 2** (numbers in brackets correspond to the elements listed in option 1 above):

1. National circumstances including where appropriate, subnational context (1)
2. Risk assessments, including information on changing climate hazards, vulnerabilities, and exposure (2)
3. Adaptation priorities, goals and milestones, and identified needs (3-4, 10)
4. Adaptation efforts, policies, plans, actions, strategies, and/or programmes (5-6, 11-16)
  - (a) Policy formulation and planning
  - (b) Policy implementation and progress towards goals
  - (c) Monitoring and evaluation of adaptation actions
5. Good practices, lessons learned and information sharing (9)

**Option 3:**

1. National circumstances, legal frameworks, and institutional arrangements
2. Impacts, vulnerabilities, risks and hazards
3. National goals related to adaptation, resilience, and reducing vulnerability; identification of adaptation needs
4. Adaptation efforts, implementation, results, and lessons learned



### III. ANNEX II of the informal note at APA 1.5

SOME GROUPS OF THE G77 AND CHINA CONSIDER ANNEX II COULD BE THE APPROPRIATE SPACE FOR GUIDANCE FOR NDCs

#### **Option 1:**

NDC-specific guidance contained in this annex is intended for parties that choose to use this guidance to submit their adaptation communication as component of or in conjunction with NDC's. Parties that choose to use this guidance may include the elements listed below without creating any additional burden.

#### **Vehicle-specific guidance for an adaptation communication**

- **NDC-specific guidance for an adaptation communication<sup>7</sup>**

#### **Option (a): Adaptation Elements Identified for NDCs**

1. National circumstances.
2. Expected impacts, risks and vulnerability and adaptive capacity.
3. Adaptation priorities, policies, plans, actions, strategies and/or programs, resilience-building activities, expected results and national goals.
4. Adaptation support needs of developing country Parties including the costs of meeting those adaptation needs.
5. Communication of indicative projected levels of public financial resources to be provided by developed country Parties to developing country Parties, including finance, technology, and capacity-building.
6. Information on adaptation actions and/or economic diversification plans and/or national development plans that result in mitigation co-benefits, if applicable.
7. Information on economic diversification efforts, if applicable.
8. Information on sustainable development efforts, if applicable.
9. Timeframe.
10. Means of implementation.
11. Traditional knowledge or community-based adaptation climate change and local communities' involvement, if applicable.

#### **Option (b): No heading/text**

#### **Option 2:**

#### **Option (a): Vehicle-specific guidance for an adaptation communication**

- **NDC-specific guidance for an adaptation communication<sup>8</sup>**

#### **Adaptation Elements Identified for NDCs**

Same as in option 1 above

- **NAP-specific guidance for an adaptation communication**

<sup>7</sup> NDC-specific guidance would include: preamble/introduction, guiding principles, purpose, adaptation elements identified for NDCs, timing/frequency, linkages, support, and other matters.

<sup>8</sup> NDC-specific guidance would include: preamble/introduction, guiding principles, purpose, adaptation elements identified for NDCs, timing/frequency, linkages, support, and other matters.

1. Parties could include in their adaptation communications information related to the formulation, preparation and implementation of national adaptation plans. Such information could include:

- (a) Identification and assessment of institutional arrangements, programmes, policies and capacities for overall coordination and leadership on adaptation;
- (b) Assessment of available information on climate change impacts, vulnerability and adaptation, measures taken to address climate change, and gaps and needs, at the national and regional levels;
- (c) Comprehensive, iterative assessments of development needs and climate vulnerabilities;
- (d) Design and development of plans, policies and programmes, to address the gaps and needs referred to above;
- (e) Assessments of medium- and long-term adaptation needs, and, as appropriate, development needs and climate vulnerabilities;
- (f) Activities aimed at integrating climate change adaptation into national and subnational development and sectoral planning;
- (g) Participatory stakeholder consultations;
- (h) Communication, awareness-raising and education;
- (i) Prioritizing work according to development needs and climate change vulnerability and risk;
- (j) Strengthening institutional and regulatory frameworks to support adaptation;
- (k) Training and coordination at the sectoral and subnational levels;
- (l) Public dissemination of information on the national adaptation plan process, to be made available to the public and to the UNFCCC secretariat;
- (m) Considering other relevant multilateral frameworks and international programmes and initiatives, with a view to building on and complementing existing adaptation planning.

2. These activities, including national adaptation plan documents, could be submitted to the UNFCCC secretariat as the information requested by Art.7, paragraph 10, of the Paris Agreement.

- **NC-specific guidance for an adaptation communication**

1. Parties may submit the information requested by Art.7, paragraph 10, of the Paris Agreement as part of their national communication by providing information in line with existing guidelines for the preparation of national communications, as contained in document FCCC/CP/1999/7 and decision 17/CP.8.

- **Other communications- or documents-specific guidance for an adaptation communication**

1. Parties wishing to submit an adaptation communication in a vehicle other than a NC, NAP or NDC may do so, taking into account the guidance available for the before-mentioned vehicles.

**Option (b): No vehicle-specific guidance for an adaptation communication**

**Option 3:**

Same list of elements as Annex I

## IV. Element headings and subheadings from section II

Note: the text in italics below provides descriptions drawn from the submissions of the types of information that have been suggested in relation to some of the elements and does not represent convergence among Parties. This is intended to provide a broader idea on possible information that the elements may include if a Party chooses to do so, subject to its availability and applicability. It is not intended to provide a prescriptive nor exhaustive description of the elements, given that adaptation actions follow a country driven approach. At the same time this does not preclude the addition of similar types of information in the other sections.

### 1. National circumstances, including population, levels of development, legal frameworks and institutions

- (a) *Context information*
- (b) *National long-term adaptation objectives*
- (c) *Components of low-emission resilient development strategies*
- (d) *Sub-national context*
- (e) *Geography*
- (f) *Climate*
- (g) *Economy*
- (h) *Population*
- (i) *Information on how adaptation planning is informing national and/or sectoral development plans and implementation*
- (j) *Extreme weather events that have affected a country's adaptive capacity*
- (k) *The role of adaptation planning in informing national and sectoral development*
- (l) *Placeholder on further information on national circumstances / national circumstances including population, levels of development, legal frameworks and institutions*

### 2. Expected impacts, risks and vulnerability assessments, and adaptive capacity

- (a) *Future scenarios and risks*
- (b) *Key climate hazards*
- (c) *Modelling, projections, and scenarios*
- (d) *Impacts experienced and projected*
- (e) *Assessments of key economic, social and/or environmental vulnerabilities and risks*
- (f) *Assessments of adaptive capacity, taking into account vulnerable people, places and ecosystems;*
- (g) *Populations and sectors most at risk*
- (h) *Information on limits of adaptation*
- (i) *Information on approaches, methodologies and tools used for the assessments, and relevant uncertainties*
- (j) *Information on the limits of adaptation, and national assessments as well as global reports*
- (k) *Information on climate impacts, risks and vulnerabilities*
- (l) *Information on reduction of vulnerability*
- (m) *Information on nationally determined adaptation priorities and other hazards*
- (n) *Placeholder on further information on impacts, vulnerabilities and risk assessments/ impacts, risks and vulnerability and adaptive capacity*

3. Adaptation priorities, policies, plans, actions, strategies, programmes, resilience-building activities, national goals related to adaptation, and expected results, as appropriate.

- (a) *Domestic adaptation planning processes*
- (b) *Implemented and planned actions, strategies and approaches*
- (c) *Efforts to build resilience of socioeconomic and ecological systems*
- (d) *Priority sectors and/or geographic areas*
- (e) *Information on the process to formulate and implement national adaptation plans*
- (f) *Efforts to integrate adaptation into policies, programs and activities, in particular development planning*
- (g) *Information on how a Party will follow a country-driven, gender-responsive, participatory and transparent approach for their adaptation actions, taking into consideration vulnerable groups, and integrating traditional knowledge and the knowledge of Indigenous peoples and local knowledge systems into relevant actions*
- (h) *Institutional capacities to address climate change considerations at sub-national and sectoral level and to address cross-cutting issues and interdependencies related to climate change impacts across sectors*
- (i) *Information on plans and actions to build resilience of socioeconomic and ecological systems, including through economic diversification and sustainable management of natural resources*
- (j) *Information relating to nationally determined adaptation priorities*
- (k) *Development of national adaptation plans; policies; strategies and programmes*
- (l) *Placeholder on further information on adaptation priorities, policies, plans, actions, strategies and/or programmes, as appropriate / adaptation priorities, plans, strategies, planned actions, resilience-building activities and expected results*

4. Adaptation support needs of developing country Parties / Implementation and support needs, including the costs of meeting those adaptation needs

- (a) *The costs of meeting those adaptation needs (financial, technology, and capacity-building)*
- (b) *Domestic and international, public and private, resources needed for adaptation (international/national/sub-national, sectoral as available)*
- (c) *Financial instruments and/or budget provisions enabling implementation of adaptation*
- (d) *Domestic, international and private finance mobilization*
- (e) *Technology development and transfer measures and activities*
- (f) *Support provided, needed and received*
- (g) *Capacity-building provided, received and needed*
- (h) *Information on projected costs of priorities*
- (i) *Projected technical support, technology, capacity building needed*
- (j) *Placeholder on further information on adaptation support needs of developing country Parties / implementation and support needs, including the costs of meeting those adaptation needs*

5. Adaptation efforts of developing countries (for recognition)

- (a) *Adaptation plans and actions undertaken domestically*
- (b) *Projects and programmes funded by domestic resources*
- (c) *Efforts undertaken to address extreme events*

- (d) *Information on list of national adaptation projects/programmes/actions*
  - (e) *Adaptation actions and estimated needs and costs*
  - (f) *Placeholder on further information on adaptation efforts of developing countries (for recognition)*
6. **Implementation of adaptation actions, and results achieved**
- (a) *Implementation of adaptation actions, undertakings and/or efforts*
  - (b) *Description of actions undertaken, assessments of effectiveness of plans, changes in regulation, policies and planning, progress in adaptation actions and programmes, and in integrating adaptation into development strategies and sectoral plans*
  - (c) *Progress and outcomes of adaptation actions;*
  - (d) *National, sub-regional and/or regional capacity-building for integrating adaptation into development planning*
  - (e) *Information on assistance provided to assist Parties particularly vulnerable to the adverse effects of climate change and having significant capacity constraints*
  - (f) *Placeholder on further information on adaptation actions currently under implementation*
  - (g) *Resources invested*
  - (h) *Sources of data*
  - (i) *Relevant financial instruments*
  - (j) *Mobilization of finance from various sources*
  - (k) *Description of co-ordination action, activities carried out under adaptation plans, with assessment of effectiveness and /or plans for evaluation;*
  - (l) *Progress in changes in regulation, policies and planning;*
  - (m) *Progress on adaptation action and programmes;*
  - (n) *Progress on mainstreaming/integrating adaptation into development strategies and sectoral plans and programmes*
  - (o) *Placeholder on further information on implementation and results achieved*
7. **Communication of indicative projected levels of public financial resources to be provided by developed country Parties to developing country Parties, including finance, technology and capacity building.**
- (a) *Sectors and geographic areas targeted for support*
  - (b) *Types of support*
  - (c) *Types of information outlined when communicating on indicative adaptation support*
  - (d) *Total amounts to be provided by multilateral channels or by region*
  - (e) *Placeholder on further information on communication of indicative projected levels of public financial resources to be provided by developed country Parties to developing country Parties, including finance, technology and capacity-building*
8. **Information on synergies with other international conventions.**
9. **Good practices, lessons learned and information sharing.**
- (a) *Information on policy and regulatory changes, practical action and coordination, as well as remaining challenges and plans to address them;*
  - (b) *Placeholder on further information on good practices, lessons learned and information sharing.*
10. **Barriers for implementation of adaptations, challenges, and gaps.**

11. Economic diversification plans; information on adaptation actions and/or economic diversification plans and/or national development plans that result in mitigation co-benefits.
    - (a) *Expected quantified emission reductions/avoidance;*
    - (b) *Placeholder on further information on adaptation actions that result in mitigation co-benefits.*
  12. Cooperative dimension at the national, regional and international level / Cooperation to enhance adaptation at national, regional and international levels.
    - (a) *Information related to sharing information, good practices, experiences and lessons learned;*
    - (b) *Strengthening institutional arrangements;*
    - (c) *Strengthening scientific knowledge on climate;*
    - (d) *Assisting developing countries in identifying effective adaptation practices, adaptation needs, priorities, support provided and received, and challenges and gaps;*
    - (e) *Improving the effectiveness and durability of adaptation actions;*
    - (f) *Placeholder on further information on cooperation to enhance adaptation at national, regional and international levels.*
  13. Progress on implementing adaptation actions and plans.
  14. Traditional knowledge or community-based adaptation climate change and local communities' involvement.
  15. Legal framework and institutional arrangements as appropriate.
  16. Monitoring and evaluation, and approaches used.
    - (a) *Mechanisms to track adaptation action and outcomes;*
    - (b) *Systems to measure and track national, international and private finance for adaptation;*
    - (c) *Possible indicators of how adaptation actions have increased resilience and reduced adverse impacts in key areas;*
    - (d) *Information on effectiveness of adaptation actions;*
    - (e) *Information on approaches to monitoring and evaluation of implemented strategies and plans;*
    - (f) *Assessments of how adaptation actions influence other developments goals;*
    - (g) *Information on how participation, gender considerations, indigenous-, traditional and local knowledge have been integrated into adaptation policies and actions;*
    - (h) *Assessments on transparency of planning and implementation process;*
    - (i) *Placeholder on further information on monitoring and evaluation / monitoring and evaluation, and approaches used.*
-

**Draft elements for SBI agenda item 7**  
**Development of modalities and procedures for the operation and use of a public registry referred to in Article 7, paragraph 12, of the Paris Agreement**

**Informal note by the co-facilitators**

*Version 09.09.2018 @ 12:30*

*These draft elements have been prepared by the co-facilitators of the negotiations on this agenda item under their own responsibility, on the basis of the informal note (Version 13.11.2017), deliberations by Parties at current and previous sessions and the views they have submitted. These elements are preliminary and should not be considered as final in any way; they are offered as a basis for work and do not prejudice further work or prevent Parties from expressing their views at any time. It is recognized that the outcome of deliberations on this item will form part of the overall outcome under the Paris Agreement Work Programme.*

**SECTION A: PROPOSALS**

*Parties outlined different proposals for implementation of a public registry referred to in Article 7, paragraph 12, of the Paris Agreement to record adaptation communications including the following (presented in no particular order and noting that some of these could be combined):<sup>1</sup>*

- Establish/designate a public registry for adaptation communications based on one or a combination of the following options:

Option 1: A new registry for adaptation communications;

Sub-option 1: Parties submit an adaptation communication ‘document’ as a stand-alone document; extracted from the NAP, NC or NDC; or the option of submitting it together, as part of, or in conjunction with, any vehicle it may choose, but a specific page number for the adaptation communication ‘document’ is specified;

Option 2: A new registry for adaptation communications with hyperlinks to various websites/registries where adaptation communications can be found. The registry will contain only adaptation communication documents that are submitted as stand-alone documents and hyperlinks to adaptation communications submitted in any vehicles that Parties may choose;

Option 3: A single existing registry/website designated as the registry referred to in Article 7, paragraph 12, with options to include the registry referred to in Article 4, paragraph 12, NAP Central or others;

Option 4: A public registry referred to in Article 4 paragraph 12 and a public registry referred to in Article 7 paragraph 12 to be maintained in a single public registry; the single registry could have two parts: adaptation communications and NDCs;

Option 5: No additional registry for adaptation communications; instead, each Party may choose any one of the web platforms/registries for NDCs, NCs or NAPs, maintained by the secretariat, to record their adaptation communications.

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<sup>1</sup> The text in italics represents an explanatory text and will not form part of the decision.

- Option 1: Authority of the CMA over the registry, including steps to review and revise, and provide further guidance on operation as necessary.

Option 2: No text.

- Option 1: Invitation to Parties on use of the registry.

Option 2: No text.

- Option 1: Request to the secretariat to create and manage the registry.

Option 2: No text.

- Option 1: Note that the adaptation registry will only reflect adaptation actions.

Option 2: No text.

- Option 1: Procedure for periodic reviewing/revising/updating of the registry.

Option 2: No text.

Option 1:

## **SECTION B: DETAILED ELEMENTS**

### **1. MODALITIES**

- A public registry referred to in Article 7, paragraph 12, of the Paris Agreement:
  - Is a clear, intuitive and easy-to-use web-based platform;
  - Has a user-friendly interface in all six official languages of the United Nations;
  - Is a tool to record adaptation communications, inter alia, as appropriate;
  - Is presented in a tabular format, with one row for each adaptation communication contained therein. The table columns display, as appropriate: name of Party, document title, [document type] [ vehicle], version number, status, language and submitted date;
  - Is flexible to enable each Party to submit its adaptation communications in the vehicles it chooses;
  - Preserves the integrity of the adaptation communications and retains national determination;
  - Can sort and display adaptation communications in different ways, such as alphabetically, chronologically [or by region] [by Annex 1 or Non-Annex 1 to the Convention];
  - Has inbuilt Internet security measures to avoid unauthorized access or alterations of content;
  - [Ensures user-friendly navigation to and between relevant registries and other web resources;]



- Uses web tools (e.g. really simple syndication (RSS)) to provide updates and notify users of new or modified content.

## **2. PROCEDURES**

### **• Submitting/Uploading**

- The national focal point of each Party submits/uploads the adaptation communications, or informs the secretariat where they are located, using a unique account for the registry;
- Each Party will have a unique account for the registry;
- The secretariat undertakes a completeness and Internet security check of all submitted adaptation communications, before recording;
- The secretariat contacts the national focal point to confirm the receipt of adaptation communications and to request clarification when required, and informs the national focal point that the recording process has been finalized;
- The secretariat provides technical assistance to Parties that may need assistance in uploading adaptation communications 'documents' to the registry;
- Option 1: Parties submit an adaptation communication 'document' as a stand-alone document; extracted from the NAP, NC or NDC; or the option of submitting it together, as part of, or in conjunction with, any vehicle it may choose, but a specific page number for the adaptation communication 'document' is specified;

Option 2: The registry will contain only adaptation communication documents that are submitted as stand-alone documents and hyperlinks to adaptation communications submitted in any vehicles that Parties may choose;

Option 3: No text.

### **• Maintaining**

- Proposal 1 – The public registry constitutes an archive and continues to record all previously submitted adaptation communications as a matter of public record;
- Proposal 2 – Parties have the right to replace or delete previously submitted adaptation communications.

### **• Using/Downloading**

- Parties, non-party actors, other stakeholders and the public have access to download, view, [search] and read the adaptation communications from the public registry;
- Files should be available in different sizes for easier downloading in countries with slow Internet speed or limited capabilities for downloading.

## **3. ROLES**

- Each Party designates a national focal point to manage adaptation communications in the public registry;

- Each Party receives access to the public registry through a unique user account and manages the account;
- The secretariat is the custodian of the public registry;
- The secretariat establishes, operates and maintains the public registry as per the modalities and procedures, including precautionary actions to avoid unauthorized access and alterations of content;
- The secretariat communicates with, and provides assistance to, Parties, non-Party actors, other stakeholders and the public in using the public registry through a user guide and training.

Option 2:

**SECTION B: DETAILED ELEMENTS**

The elements in Section B of the informal note for SBI item 6, Development of modalities and procedures for the operation and use of a public registry referred to in Article 4, paragraph 12.

Option 3:

No Section B.

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**DRAFT TEXT**  
**on**  
**SBSTA 48.2 agenda item 4 and SBI 48.2 agenda item 11**  
**Report of the Adaptation Committee**  
**SBI 48.2 agenda item 12**  
**Matters relating to least developed countries**

Version 08/09/2018 22:27

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**Draft decision text on matters referred to in paragraphs 41,  
42 and 45 of decision 1/CP.21**

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

**A. Recognition of adaptation efforts of developing countries**

[*Recalling* decision 1/CP.21, paragraph 41, that requests the Adaptation Committee and the Least Developed Countries Expert Group to jointly develop modalities to recognize the adaptation efforts of developing countries, as referred to in Article 7, paragraph 3, of the Paris Agreement,]

[*Recognizing* Article 7, paragraph 14(a), that states that the global stocktake referred to in Article 14 shall, inter alia, recognize adaptation efforts of developing country Parties,]

1. *Notes* the existing work of the Adaptation Committee and the Least Developed Countries Expert Group related to synthesizing information on specific adaptation themes and lessons learned and good practices;

2. [*Decides* that the following modalities may be considered, as appropriate, in the context of the global stocktake, without prejudging the outcomes of the discussions under agenda item 6 of the Ad Hoc Working Group on the Paris Agreement on the sources of inputs and modalities of the global stocktake;]

3. *Requests* the secretariat, under the guidance of the Adaptation Committee and the Least Developed Countries Expert Group:

(a) To prepare a synthesis report on the adaptation efforts of developing country Parties based on the most recent adaptation[-related documents] [communications, national adaptation plans, national communications, nationally determined contributions], the events referred to in paragraph 4 below and the reports referred to in paragraph 5 below, and any other relevant reports prepared under the transparency framework [The synthesis report should include but not be limited to information on risk and vulnerability, adaptation actions, resources used on adaptation actions, adaptation plans and policies to enable understanding of collective efforts and progress towards the global goal on adaptation];

(b) To organize [in the global stocktake] a high-level event informed by the reports referred to in paragraphs 3(a) above and 5 below in order to provide developing country Parties with an opportunity to present their adaptation efforts, in a nationally determined manner, [following a country-driven approach,] for recognition;

(c) To prepare a [non-prescriptive] summary of the high-level event taking into account the information contained in the synthesis report referred to in paragraph 3(a) above and any other input to be determined by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;

4. *Decides* to make use of existing national, regional and global events, including NAP Expos and adaptation forums, to showcase the adaptation efforts of developing country Parties [to adaptation practitioners];

5. *Requests* the secretariat, under the guidance of the Least Developed Countries Expert Group and the Adaptation Committee[, with inputs from Parties] and in collaboration with relevant entities under [and outside] the Convention, to prepare synthesis reports on specific adaptation themes [requested by the Conference of the Parties serving as the meeting of the

Parties to the Paris Agreement], focusing on lessons learned and good practices in developing country Parties and drawing on the outcomes of the events and outputs referred to in paragraphs 3 and 4 above;

6. [*Decides*, during the political phase of the global stocktake, to recognize the adaptation efforts presented, following a country-driven approach, by developing country Parties in the high-level event referred to in paragraph 3(b) above;]

7. [*Acknowledges* that the recognition of efforts in the framework of the global stocktake is linked to the collective progress towards achieving the purpose of the Paris Agreement on adaptation, including the global goal on adaptation;]

## **B. Review of the work of adaptation-related institutional arrangements under the Convention**

8. *Decides* that the Adaptation Committee and the Least Developed Countries Expert Group shall serve the Paris Agreement;

9. *Assigns* any future emerging adaptation-related work necessary for the effective implementation of the Paris Agreement to existing institutions;

10. [[*Encourages*][*Requests*] institutional arrangements related to finance, technology development and transfer and capacity building,<sup>1</sup> in accordance with their mandates, to strive for a balance between adaptation and mitigation, while respecting a country driven approach;]

11. *Invites* partner organizations of the Nairobi work programme on impacts, vulnerability and adaptation to climate change, in collaboration with the AC, to support the work of other adaptation-related institutional arrangements, in particular through providing relevant scientific and technical information and sharing knowledge;

12. *Requests* [the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention<sup>2</sup> and] the Least Developed Countries Expert Group, in accordance with their mandates, as appropriate, ensuring efficiency and consistency, to work together on training for assessing vulnerability and other aspects of adaptation;

13. *Requests* the Adaptation Committee, as necessary and in consultation with relevant adaptation-related institutions, to continue to make recommendations to enhance collaboration and promote coherence and synergies with a view to addressing the evolving adaptation-related needs of the Parties;

14. *Encourages* Parties to make available sufficient resources for the successful and timely implementation of the work of adaptation-related institutions under the Convention and the Paris Agreement;

## **C. Methodologies for assessing adaptation needs with a view to assisting developing countries without placing undue burden on them**

15. [*Requests* the Subsidiary Body for Scientific and Technological Advice to develop guidelines by 2021 on the ways of improving the applicability of a suite of methodologies to identify adaptation needs. As input to the development of guidelines further invite the IPCC to develop a special report on existing methodologies for assessing adaptation needs, including methods and tools for assessing adaptation support needs by XXX;]

16. [*Requests* the Adaptation Committee and Least Developed Countries Expert Group to conduct and develop an inventory of relevant methodologies for assessing adaptation needs,

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<sup>1</sup> The institutional arrangements on finance include the operating entities of the Financial Mechanism of the Convention and the Paris Agreement.

<sup>2</sup> Subject to the outcomes of the review of Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention.

including needs related to action, financial, capacity-building and technological support which also includes consideration of the information contained in the UNFCCC “Compendium on methods and tools to evaluate impacts of, and vulnerability and adaptation to, climate change” and the information from the Adaptation Committee’s desk review;]

17. [*Invites* developing country Parties to provide inputs on the development and implementation of methodologies for assessing adaptation needs, including needs for action and support, which will be included in the inventory of paragraph 16 above;]

18. [*Invites* partner organizations of the Nairobi work programme on impacts, vulnerability and adaptation to climate change, in collaboration with users and developers of relevant methodologies, including academia and the private sector to provide inputs in the development of methodologies for assessing adaptation needs, and to document and disseminate good practices and lesson learned in relation to the implementation of those methodologies and their applicability;]

19. *Invites* all relevant entities to further improve the applicability of existing methodologies and tools for assessing adaptation needs related to action, financial, capacity-building and technological support;

20. *Invites* the World Meteorological Organization, through its Global Framework for Climate Services, with a view to facilitating the development and application of methodologies for assessing adaptation needs, to regularly inform the Subsidiary Body for Scientific and Technological Advice about its activities to improve the availability and accessibility of comprehensive climate information, including observational data, and about how it facilitates the provision and dissemination of the most up-to-date climate model predictions and projections;

21. *Also invites* the Paris Committee on Capacity-building and providers of capacity-building, as appropriate and in accordance with their mandates, in further enhancing capacity-building efforts, to facilitate accessing and implementing methodologies for assessing adaptation needs in developing countries in the context of support for building the capacity to adapt;

## **D. Facilitation of the mobilization of support**

### ***Option 1***

22. [*Requests* the Standing Committee on Finance, the Technology Executive Committee and the Paris Committee on Capacity-building, in accordance with their mandates, and taking into account the recommendations of the Adaptation Committee and the Least Developed Countries Expert Group, as well as relevant submissions made by Parties and admitted observer organizations, ongoing relevant work under the Convention, and work being conducted by Parties, to prepare recommendations for facilitating the mobilization of support for adaptation in developing countries in the context of the limit to the global average temperature increase for consideration and adoption at its third session;]

23. [*Requests* that in developing the recommendations referred to in paragraph 22 above, the relevant entities consider the principle of equity and the best available science;]

24. [*Requests* that in developing the recommendations referred to in paragraph 22 above, the relevant entities ensure the availability of predictable and sustainable financial resources and technical support, establish processes to identify new and additional resources and address uncertainties surrounding long-term financial flows and technical support;]

25. [*Invites* developing country Parties to further enhance their enabling environments, policy frameworks, institutions and national public financial management systems with a view to improving access to international public support and to enhancing the involvement of the private sector;]

26. *Invites* [developed country] Parties, United Nations organizations, specialized agencies and other relevant organizations, as well as bilateral and multilateral agencies, to assist the least developed country Parties and other developing country Parties, drawing on

the work of the Adaptation Committee, the Least Developed Countries Expert Group and other relevant bodies, as appropriate, in building and/or strengthening enabling environments, policy frameworks, institutions and national public financial management systems to mobilize support for adaptation, in particular capacity-building, including as part of the process to formulate and implement national adaptation plans;

27. [*Invites* developing country Parties to assess and prioritize their adaptation needs, including by taking into consideration methodologies for assessing adaptation needs;<sup>3</sup>]

28. *Invites* Parties to continue engaging in adaptation planning processes and the implementation of actions, including the process to formulate and implement national adaptation plans;

29. [*Invites* developing country Parties to take advantage of the resources available through the operating entities of the Financial Mechanism to strengthen their institutional capacity to programme their priority climate actions as well as to track and report climate finance;]

30. *Invites* Parties and relevant actors to ensure, as appropriate, that steps are taken to identify and subsequently remove perverse incentives that could result in non-resilient investments and planning decisions;

31. *Requests* Parties to report on support provided and received in line with the reporting instruments and modalities being developed under the Paris Agreement;

32. [*Requests* the Financial Mechanism to enhance the financial support for adaptation, as well as to [ensure][seek] that all the financial support provided to developing country Parties is balanced between adaptation and mitigation activities;]

33. [*Requests* the Technology Mechanism and the Paris Committee on Capacity Building to enhance and facilitate the support in technology transfer and capacity building for adaptation in developing country Parties, promoting balance between adaptation and mitigation activities;]

34. [*Requests* the secretariat to prepare, as one of the sources of input to the global stocktake, a collective assessment of the support needs for adaptation of developing country Parties on the basis of their most recent adaptation communication or other adaptation-related documents, with the aim of facilitating the mobilization of support for adaptation in developing countries in the context of the limit to global average temperature increase;]

## ***Option 2***

22. [*Invites* the Standing Committee on Finance to consider ways to enhance the mobilization of finance for adaptation, as appropriate and in accordance with its mandate;]

23. *Invites* Parties to further enhance their enabling environments, policy frameworks, institutions and national public financial management systems with a view to improving access to international public support and to enhancing the involvement of the private sector;

24. *Invites* Parties, United Nations organizations, specialized agencies and other relevant organizations, as well as bilateral and multilateral agencies, to assist the least developed country Parties and other developing country Parties, drawing on the work of the Adaptation Committee, the Least Developed Countries Expert Group and other relevant bodies, as appropriate, in building and/or strengthening enabling environments, policy frameworks, institutions and national public financial management systems to mobilize support for adaptation, in particular capacity-building, including as part of the process to formulate and implement national adaptation plans;

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<sup>3</sup> Including those considered in response to decision 1/CP.21, paragraph 42(b). See also AC documents AC/2016/13, AC/2017/4 and AC/2017/12, available at <https://unfccc.int/topics/adaptation-and-resilience/groups-committees/adaptation-committee/joint-ac-and-leg-mandates-in-support-of-the-paris-agreement>.

25. *[Invites [developing country] Parties to assess and prioritize their adaptation needs, including by taking into consideration methodologies for assessing adaptation needs;<sup>4</sup>]*
26. *Invites Parties to continue engaging in adaptation planning processes and the implementation of actions, including the process to formulate and implement national adaptation plans;*
27. *Noting the resources available through the operating entities of the Financial Mechanism to strengthen their institutional capacity to programme their priority climate actions as well as to track and report climate finance;*
28. *Invites Parties and relevant actors to ensure, as appropriate, that steps are taken to identify and subsequently remove perverse incentives that could result in non-resilient investments and planning decisions;*
29. *Requests Parties to report on support provided and received in line with the reporting instruments and modalities being developed under the Paris Agreement;*
30. *[Invites Parties and relevant actors to aim to achieve a balance between support for adaptation and mitigation, taking into account country-driven strategies, and the priorities and needs of developing country Parties;]*
31. *[Invites Parties and relevant actors to mainstream adaptation considerations into broader development-related support;]*

## **E. Reviewing the adequacy and effectiveness of adaptation and support**

### ***Option 1***

35. *Welcomes the technical work undertaken by the Adaptation Committee and the Least Developed Countries Expert Group in collaboration with the Standing Committee on Finance, including the desk review of existing methodologies and the synthesis of submissions;<sup>5</sup>*
36. *Notes the constraints encountered by the Adaptation Committee and the Least Developed Countries Expert Group in developing methodologies, including the differences in national circumstances of adaptation, the difficulties in setting adaptation baselines and targets, and the lack of common metrics for measuring progress on adaptation;*
37. *Also notes that the current state of knowledge is not sufficient to address the mandate and requires time and effort to advance;*
38. *Invites Parties, academia and others to undertake further technical work building on the existing work of the Adaptation Committee and the Least Developed Countries Expert Group [, in collaboration with the Standing Committee on Finance,] and taking into consideration ongoing relevant work under and outside the Convention, with a view to developing methodologies for reviewing the adequacy and effectiveness of adaptation and support;*
39. *Also invites the Adaptation Committee and the Least Developed Countries Expert Group, in collaboration with the Standing Committee on Finance, and relevant experts to contribute to the technical work referred to in paragraph 38 above by:*

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<sup>4</sup> Including those considered in response to decision 1/CP.21, paragraph 42(b). See also AC documents AC/2016/13, AC/2017/4 and AC/2017/12, available at <https://unfccc.int/topics/adaptation-and-resilience/groups-committees/adaptation-committee/joint-ac-and-leg-mandates-in-support-of-the-paris-agreement>.

<sup>5</sup> See AC-LEG documents AC-LEG/2016/2, AC-LEG/2017/2 and AC-LEG/2017/3, available at <https://unfccc.int/topics/adaptation-and-resilience/groups-committees/adaptation-committee/joint-ac-and-leg-mandates-in-support-of-the-paris-agreement>, for details on the technical work undertaken.

***Alt 1***

(a) Continuing the analysis of methodologies for reviewing the adequacy and effectiveness of adaptation and support, taking into consideration the submissions referred to in paragraph 40 below;

(b) Exchanging information on methodologies, including metrics, for reviewing the adequacy and effectiveness of adaptation and support, and making it available;

***Alt 2***

Providing a compilation of existing methodologies and tools, used to develop monitoring and evaluation and learning systems/frameworks, for reviewing the adequacy and effectiveness of adaptation and support, taking into account the context specific nature of adaptation;

40. *Further invites* Parties, organizations in the United Nations system and other relevant organizations, as well as bilateral and multilateral agencies, to submit to the Adaptation Committee and the Least Developed Countries Expert Group information on gaps, challenges, opportunities and options associated with methodologies for reviewing the adequacy and effectiveness of adaptation and support.

***Option 2***

35. *Decides* that the following information should be considered by Parties in the review of the adequacy and effectiveness of adaptation action and support in the context of the global stocktake:

- (a) Adaptation needs, plans and strategies;
  - (b) Enabling environments and policy frameworks;
  - (c) Frameworks used for assessing the effectiveness of adaptation efforts;
  - (d) Efforts and systems to monitor and evaluate the effectiveness of adaptation efforts;
  - (e) Support through all instruments and channels, including domestic, international, public and private sources;
  - (f) Progress towards the implementation/achievement of adaptation goals, plans and strategies.
-



## **SBI agenda item 15**

### **Matters related to climate finance: Identification of the information to be provided by Parties in accordance with Article 9, paragraph 5, of the Paris Agreement**

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

#### **Preliminary considerations**

#### **Working document**

Version: 09.09.2018, 13:00H

#### **General considerations**

1. Article 9, paragraphs 1, 2, 3, and 4.
2. Procedural mandate for this item.
3. Requests developed country Parties and other Parties who prepare biennial communications in accordance with Article 9, paragraph 5, to prepare them following information contained in a possible annex to the decision/information in decision.

#### **Potential considerations for the preparation of quantitative and qualitative information to be biennially communicated in the context of Article 9, paragraph 5, of the Paris Agreement**

4. Enhanced information to increase clarity on the expected levels of provision and mobilisation of climate finance from different sources.
5. Expected levels of financial resources to be provided to developing country Parties, including time frame.
6. Information on the nature of support/parameters, including:
  - (a) Amounts and currencies
  - (b) Financial instruments
  - (c) Channels
    - (i) Operating entities and the specialized funds and UNFCCC Trust Fund for Supplementary Activities
    - (ii) Other multilateral climate change funds
    - (iii) Multilateral financial institutions, development banks
    - (iv) Specialised United Nations bodies.
  - (d) Purposes/types of support/sector (mitigation, adaptation, cross-cutting), loss and damage
    - (i) On how Parties are ensuring balance between adaptation and mitigation, in particular, the needs of developing countries that are particularly vulnerable to the adverse effects of climate change.
  - (e) Expected levels of support for technology transfer and capacity building to be provided for mitigation, adaptation, loss and damage and cross-cutting
  - (f) Status of commitment
  - (g) Information on the baseline reference to facilitate comparison with indicative quantitative information on expected levels of climate finance.
7. Information on recipient countries, geographies, beneficiaries, targeted groups
  - (a) Information on the factors that providers of climate finance look for in evaluating proposals, to help inform developing countries.
8. Information on how support takes into account the needs and priorities of developing countries, including:
  - (a) By supporting country driven strategies to implement the Paris Agreement
  - (b) Gender responsive processes.
9. Information on programmes, including information channels and instruments.
10. Information on how the need for public grant-based resources is taken into account.
11. Information on actions and plans to mobilize additional finance, as part of the global effort to mobilize climate finance flows consistent with low greenhouse gas and climate resilient development.
12. Information on national circumstances and internal processes in Parties providing support of relevance to the provision of ex-ante information.
13. Information on actions taken and plans to mobilize finance for the implementation of mitigation and adaptation actions, including for the implementation of nationally determined contributions and

national adaptation plans and identified priorities and implementation plans, and to avert, minimize and reduce the risk of loss and damage.

14. Overview of trends, including baseline references/quantitative information over time.
15. Information on efforts to mobilize financial resources for developing countries from the widest array of sources, including:
  - (a) The relationship between public interventions used and the private finance mobilized
  - (b) Concrete initiatives and measures to facilitate private sector engagement in SIDS and LDCs.
16. Information on efforts to integrate climate change considerations, including resilience, into their development strategies/assistance.
17. Information on efforts by Parties to improve the effectiveness of their climate finance provided and mobilized.
18. Information on challenges and barriers encountered in the past to facilitate/mobilize support and/or investments and measures taken to overcome them.

#### **Further consideration required**

19. Information should aim at enhancing predictability, transparency, comparability and clarity in the information provided on expected levels of climate finance.
20. Quantitative vs qualitative information.
21. Reference to review of the types of information to be provided in relation to Art. 9.5 to ensure the information remains relevant to the GST.
22. Consideration on broadening the base of support providers.
23. Flexibility/recognition that some countries cannot provide some information, and qualitative information can fill gaps in quantitative information which may arise due to practical constraints.
24. Alignment of efforts with Article 2.1(c), of the Paris Agreement.
25. Definition of climate finance.
26. Determination of resources as new and additional.
27. Funding sources of climate finance.

## **Annex: Submissions from Parties**

### **Arab Republic of Egypt on behalf of the African Group of Negotiators (AGN) and the Like-Minded Group of Developing Countries (LMDC)**

#### **Conference Room Paper**

#### **Biennial Communication of Indicative Support and Reporting: Draft Decision**

The Subsidiary Body for Implementation, at its forty-eight session, recommended the following draft decision for consideration and adoption by the Conference of the Parties serving as the Meeting of the Parties to the Paris Agreement

*The Conference of the Parties serving as the Meeting of the Parties to the Paris Agreement*

Recalling Articles 4 and 11 of the Convention

Based on the mandate contained in Decision 1/CP.21, paragraph 55

Also recalling Decision 5/CP.20, paragraph 10 and Decision 3/CP.19, paragraph 10

Further recalling Articles 3, 4, 9, 10, 11, 13 of the Paris Agreement

Also recalling decisions 1/CP.21 paragraphs 57 and 95

1. Decides that developed country Parties shall communicate information to be provided in accordance with Article 9.5 of the Paris Agreement as contained in Annex I to this decision;
2. Decides to establish a registry of information to be communicated by developed country Parties in accordance with Article 9.5 of the Paris Agreement and requests the Secretariat to prepare a synthesis report for consideration by the Conference of the Parties serving as the Meeting of the Parties to the Paris Agreement;
3. Decides that developed country Parties shall biennially communicate information in accordance with Article 9.5 covering the implementation period consistent with timeframes in decision X/CP.24 pursuant to Article 4.10 of the Paris Agreement;
4. Requests developed country Parties to submit their first biennial communication of indicative support for consideration by the Conference of the Parties serving as the Meeting of the Parties to the Paris Agreement at its second session; and
5. Decides to initiate the facilitative multilateral consideration of progress and technical expert review of information provided and reported by developed country Parties and constituted bodies of the Agreement in accordance with Article 13.9, 13.11, and 13.12 with a view to capture progress in meeting the financial obligations under the Paris Agreement in accordance with Articles 3 and 9.3.

**Annex 1:**  
**Identification of the information to be provided by Parties under Art 9.5**

**Current information (Decision 3/CP.19)**

1. Information to increase clarity on the expected levels of climate finance mobilized from different sources;
2. Information on their policies, programmes and priorities;
3. Information on actions and plans to mobilize additional finance;
4. Information on how Parties are ensuring the balance between adaptation and mitigation, in particular the needs of developing countries that are particularly vulnerable to the adverse effects of climate change; and
5. Information on steps taken to enhance their enabling environments.

**Qualitative information**

1. Responsiveness to developing country needs, priorities and expectations;
2. Information on the relationship between public interventions used and private finance mobilized; and
3. Information on actions to be taken to and plans to mobilize finance for the implementation of nationally determined contributions and national adaptation plans.

**Quantitative information**

1. Expected levels of climate finance to be provided through multilateral, bilateral, regional and/or other channels;
2. Expected levels of climate finance to be provided through the UNFCCC financial mechanism, including the operating entities (GCF and GEF), and the specialized funds (SCCF, LDCF, AF)
3. Expected levels of mitigation finance to be provided;
4. Expected levels of adaptation finance to be provided;
5. Expected level of support for technology transfer and capacity building to be provided;
6. The information should include these parameters:
  - Amount of financial resources and currency;
  - Sector;
  - Financial instrument;
  - Support for capacity building and/or technology transfer;
  - Status of commitment;
  - Recipient and/or beneficiary; and
  - Time frame, or agreement period.

## **Alliance of Small Island States**

1. What are possible additional elements? – elements in blue
2. Where are duplications or overlaps? – elements highlighted in red with suggestion for streamlining in grey

### **Timing of work**

- The COP is mandated to finalize its work in time for consideration by COP 24, with a view to making a recommendation for consideration and adoption by CMA 1.

### **General considerations**

- Article 9, paragraphs 1, 3, and 4;
- Identify types of enhanced indicative quantitative and qualitative information, and how to communicate such information
- Applicability and availability of information, as stated in Article 9, paragraph 5, of the Paris Agreement;
- Utility and avoiding duplication of information;
- **Provision of information on** limitations and uncertainties to justify **opting out of the provision of certain ex ante information**;
- Alignment of efforts with Article 2.1(c), of the Paris Agreement

### **Potential considerations for the preparation of quantitative and qualitative information to be biennially communicated in the context of Article 9, paragraph 5, of the Paris Agreement**

- Enhanced information to increase clarity on the expected levels of provision and mobilization of climate finance from different sources;
- ~~No quantitative information with regards to sector, recipient countries, mitigation/adaptation, channels and financial instruments;~~  
*Comment: This is not an element.*
- Sources of climate finance, amounts, financial instruments, channels, recipient countries/regional distribution, types of support (mitigation, adaptation, cross-cutting, **loss and damage**), targeted sectors, status (committed, pledged); Indicative quantitative information on expected levels of climate finance through bilateral and other regional channels;
- Indicative quantitative information on expected levels of climate finance through multilateral channels:  
GEF, LDCF, SCCF, AF, GCF and UNFCCC Trust Fund for Supplementary Activities;  
Other multilateral climate change funds;  
Multilateral financial institutions, development banks;  
Specialized United Nations bodies;
- Information on the baseline reference to facilitate comparison with the indicative quantitative information on expected levels of climate finance;
- Whether the activity also includes CB and/ or TT objectives;
- Overview of trends;
- Original currency and USD/ EUR.
- **An indicative share of climate finance for particularly vulnerable countries, such as SIDS and LDCs, in line with article 9.4** *Comment: The strategies and approaches already include information on how the needs of particularly vulnerable countries were being addressed.*
- **Quantitative information overtime on how climate finance responds to needs identified**
- Enhanced information on policies, programmes and priorities:
- **Qualitative information that demonstrates how expected levels of climate finance reflect the needs**

and priorities of developing country Parties with total available resources, including gender responsive processes;

- Information on criteria used to determine how developing country Parties financial needs are taken into account;
- Information on actions taken to address the needs of developing country Parties that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints;

*Comment: These three bullets are candidates for streamlining*

- Explanation on how Party identified respective financial parameters to be provided;
- Information on grant component of public intervention
- Information on targeted group and how this is complementary to the regional approach by developed countries.
- Information on actions taken and plans to mobilize and provide climate finance for the implementation of nationally determined contributions and national adaptation plans including identified priorities and implementation plans, and to avert, minimize and reduce the risk of loss and damage
- How the information to be provided reflects the individual shares of the collective obligation by developed countries towards the implementation of the Paris Agreement, referring to the global goal on finance;
- Information on adequacy in the provision of support;
- Information on actions taken to enhance access to climate finance for developing country Parties, in particular for the LDCs and SIDS, in the context of their national climate strategies and plans;
- Information on how public finance is programmed to fill gaps where private capital may not be readily available;
- Information on the factors that providers of climate finance look for in evaluating proposals, to help inform developing countries.

- Enhanced information on actions and plans to mobilize additional finance from a range of sources:
- Information on actions taken to mobilize scaled-up climate finance provided to developing country Parties building on submissions on strategies and approaches, which will end in 2020; *Comment:*

*Move to general considerations for further streamlining.*

- Information on the relationship between the public interventions used and the private finance mobilized, including information on the types of public interventions, instruments and climate relevance, as well as examples of public interventions that target adaptation mitigation or loss and damage activities;
- Information on policies, programmes, priorities and information on actions and plans to mobilize finance for the implementation of mitigation and adaptation actions in developing country Parties
- Indicative Amount of public finance on the capital markets e.g. for issuing public loans and mobilization of resources
- Concrete initiatives and measures to facilitate private sector engagement in SIDS and LDCs

- Enhanced information on the balance between adaptation and mitigation:
- Information on how Parties ensure the balance between adaptation and mitigation;
- Specific information on expected levels of adaptation finance, including information on its baseline, sources, scale and time frame, with reference to the levels of grant funding, and any subsequent steps in determining expected levels of adaptation finance;
- Indicative share of public and grant based resources for adaptation

- Enhanced information on enhancement of enabling environments:
- Information on how support provided is best targeted at realizing the goal outlined in Article 2, paragraph 1(c), of the Paris Agreement.
- Information on support provided for enabling environments in developing country Parties
- Information on domestic, bilateral and multilateral measures to generate additional finance to support developing country Parties implementation of the Paris Agreement through innovative sources and instruments

*Comment: The following bullet points can be move to general considerations for further streamlining.*

- Transparency, comparability and clarity in the information provided on expected levels of climate finance.
- Article 4, paragraph 5 of the Paris Agreement
- Definition of climate finance
- Determination of resources as new and additional
- Time frame or agreement period

#### **Australia:**

- information on efforts by parties to integrate climate change in development strategies
- information on efforts by parties to improve the effectiveness of resources

#### **Canada**

#### **Inputs received regarding the three guiding questions for the identification of the information to be provided by Parties in accordance with Article 9, paragraph 5, of the Paris Agreement**

- Possible additional elements:
  - Information on alternative sources of climate finance which are contributing to international climate finance efforts.
  - Information on effective climate finance.
  - Information on the integration of climate change into development assistance.
  - Information on climate finance priorities including sectors and regions.

#### **European Union**

##### *1. What are the possible additional elements of information that are not captured in the informal note?*

- The EU believes that the following elements should be added to the co-facilitator's note and considered as possible additional elements:
  - Information on how Parties providing support are taking into account the transformational goals of the Paris Agreement, including how financial support can help to make finance flows consistent with a pathway towards low greenhouse gas and climate resilient development
  - Information to provide clarity on national planning and budgetary processes
  - Information on sectors and geographies to which parties intend to provide support

##### *2. Where are duplications or overlaps?*

- There are a number of duplications and overlaps in the co-facilitator's note that could be easily removed if information elements are grouped into clusters as detailed in our response to question 3. In particular, the current note contains many examples of duplication arising from separate requests by different Parties for similar elements of information.
- The appropriate time to begin work on removing these duplications through streamlining would be following the grouping of these information elements into clusters, as detailed in our response to question 3.

3. *How would you structure the informal note to better express the elements or information contained therein?*

- Base on the co-facilitator's note and considering the further suggestions made by Parties in the informal consultation, the following thematic clusters should be considered. As appropriate, potential information should be arranged into these clusters, with a view to then removing duplication:

Projected levels of expected future finance  
Plans to mobilise further finance  
Nature of support e.g. instruments  
Needs and priorities of developing countries  
Balance between mitigation and adaptation  
Policies/programmes/priorities  
Considerations of Parties providing support (e.g. effectiveness)  
Special circumstances of least developed countries and small island developing states  
Enabling a pathway towards low greenhouse gas and climate resilient development  
Internal processes within Parties providing support

- Not all identified information can be easily clustered, and some may need to remain as individual elements.
- The quantitative and qualitative elements should not be separated, in order for the note to focus on the identification of types of information without prejudice to whether this information should be quantitative, qualitative or both.

### **Environmental Integrity Group**

Please find below the additional elements we foresee for the informal note on Art. 9.5 under SBI item 15.

- a. Information on how investment / cooperation priorities are set in a provider country?
- b. Information on the share of administrative cost / overhead of a project is usually estimated or whether the providing country's agencies know standard overhead fees?
- c. Information on due diligence requirements for cooperation
- d. Information on challenges and barriers encountered in the past to facilitate / mobilize support and/or investments and measures taken to overcome them

### **Switzerland**

1. Where are duplications or overlaps?
  - a. Clustering will make the overlaps more evident. We made the observation that several elements speak to the same thing / information but in different level of detail => e.g. information elements speaking to the GCF, the Operating Entities of the Financial Mechanism, climate finance funds, multilateral channels all speak to the same information but in different levels.
  - b. Some elements in our view are out of scope or they reflect elements which can not be provided on an ex-ante basis and there we would see a potential for streamlining. For



example reporting on the status of finance (committed or disbursed) is not an ex-ante information type, it's rather an ex-post information type and is therefore not to be included under Art. 9.5 in our view.

2. How would you structure the informal note to better express the elements or information contained therein?

We propose thematic grouping of elements, since many elements speak to the same thing and it will make streamlining easier. We do not propose to introduce any headings or sub-headings though, since that will only lead to endless procedural debates and fights over the wording of the heading... Several elements contain multiple elements within them, maybe they could be separated apart and grouped with other similar ideas, without losing any of the content.

Possible grouping suggestions we have, are:

- a. Several elements speak to channels => bilateral, multilateral, more specifically name certain funds, etc.
- b. Several elements speak to sources => public, private, mobilized private, etc.
- c. Several elements speak to instruments
- d. Several elements speak to the level of finance
- e. Several elements speak to how elements target needs => i.e. also finance NDCs and NAPs
- f. Several elements speak to policy measures to be taken
- g. Several elements speak to the assessment of proposals => what providing countries are looking for when they assess funding proposals
- h. Several elements speak to the balance between mitigation and adaptation
- i. Several elements speak to enabling environments
- j. Element speaking to investment criteria and alignment with Art. 2.1c
- k. Some elements speak to the quality/parameter of the information => definitional aspects

We could not support a grouping along quantitative and qualitative, because we believe there is a different understanding in the room whether an element is speaking to quantitative or qualitative information and we might end up shifting things from quantitative to qualitative and back without really proceeding.

### **Group of Least Developed Countries**

#### General comments

1. We have included missing language on loss and damage, and mention of vulnerable countries such as LDCs and SIDS
2. We have identified some overlaps and suggested to merge them, and deleted some
3. We believe ex-ante information can be provided just like it is being done in GEF replenishment cycles, and the resources are programmed already
4. Informal note should be structured highlighting quantitative and qualitative information

### **Views from the Least Developed Countries Group in response to the Guiding Questions by the co-facilitators**

- What are possible additional elements or information that are not captured in the informal note?
- Where are duplications or overlaps?

- How would you structure the informal note to better express the elements or information contained therein?
    1. General Considerations
    2. Quantitative information
    3. Qualitative information
- 

### **Timing of work**

- The COP is mandated to finalize its work in time for consideration by COP 24, with a view to making a recommendation for consideration and adoption by CMA 1.

### **General considerations**

- Article 9, paragraphs 1, 3, and 4;
- Identify types of enhanced indicative quantitative and qualitative information, and how to communicate such information
- Applicability and availability of information, as stated in Article 9, paragraph 5, of the Paris Agreement;
- Utility and avoiding duplication of information;
- Limitations and uncertainties faced by Parties in providing ex-ante information;
- Alignment of efforts with Article 2.1(c), of the Paris Agreement

### **Potential considerations for the preparation of quantitative and qualitative information to be biennially communicated in the context of Article 9, paragraph 5, of the Paris Agreement**

- Enhanced information to increase clarity on the expected levels of provision and mobilization of climate finance from different sources;
- ~~• No quantitative information with regards to sector, recipient countries, mitigation/adaptation, channels and financial instruments;~~
- Sources of climate finance, amounts, financial instruments, channels, recipient countries/regional distribution, types of support (mitigation, adaptation, loss and damage, cross-cutting), targeted sectors, status (committed, pledged);
- Indicative quantitative information on expected levels of climate finance through bilateral and other regional channels;
- Indicative quantitative information on expected levels of climate finance through multilateral channels: GEF, LDCF, SCCF, AF, GCF and UNFCCC Trust Fund for Supplementary Activities; Other multilateral climate change funds; Multilateral financial institutions, development banks; Specialized United Nations bodies;
- Indicative Amount of public finance on the capital markets e.g. for issuing public loans and mobilization of resources
- Information on the baseline reference to facilitate comparison with the indicative quantitative

information on expected levels of climate finance;

- Whether the activity also includes CB and/ or TT objectives;
- Overview of trends;
- Original currency and USD/ EUR.
- Enhanced information on policies, programmes and priorities:

### **Qualitative**

- Qualitative information that demonstrates how expected levels of climate finance reflect the needs and priorities of developing country Parties with total available resources, including gender responsive processes;
- Information on criteria used to determine how developing country Parties financial needs are taken into account;<sup>1</sup>
- Explanation on how Party identified respective financial parameters to be provided;
- Information on grant component of public intervention
- Information on targeted group- vulnerable group of countries such as LDCs and SIDS and how this is complementary to the regional approach by developed countries.
- Information on actions taken to address the needs of developing country Parties that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints such as LDCs and SIDS;
- 
- Information on actions taken and plans to mobilize and provide climate finance for the implementation of nationally determined contributions and national adaptation plans
- How the information to be provided reflects the individual shares of the collective obligation by developed countries towards the implementation of the Paris Agreement, referring to the global goal on finance;
- Information on adequacy in the provision of support;
- Information on actions taken to enhance access to climate finance;
- Information on how private finance is programmed to fill gaps where public capital may not be readily available;
- Information on the factors that providers of climate finance look for in evaluating proposals, to help inform developing countries.
- Enhanced information on actions and plans to mobilize additional finance from a range of sources:

<sup>1</sup> Comment from the Group: These could be merged

- Information on actions taken to mobilise scaled-up climate finance provided to developing country Parties building on submissions on strategies and approaches, which will end in 2020;.
- Information on the relationship between the public interventions used and the private finance mobilized, including information on the types of public interventions, instruments and climate relevance, as well as examples of public interventions that target adaptation or mitigation activities;
- Information on policies, programmes, priorities and information on actions and plans to mobilize finance for the implementation of mitigation and adaptation, loss and damage actions in developing country Parties
- Enhanced information on the balance between adaptation and mitigation:
- Information on how Parties ensure the balance between adaptation and mitigation<sup>2</sup>;
- Specific information on expected levels of adaptation finance, including information on its baseline, sources, scale and time frame, with reference to the levels of grant funding, and any subsequent steps in determining expected levels of adaptation finance;
- Information on how support provided is best targeted at realizing the goal outlined in Article 2, paragraph 1(c), of the Paris Agreement.
- Enhanced information on enhancement of enabling environments:
- Information on support provided for enabling environments in developing country Parties<sup>3</sup>
- Transparency, comparability and clarity in the information provided on expected levels of climate finance.
- Article 4, paragraph 5 of the Paris Agreement
- Definition of climate finance
- Determination of resources as new and additional
- Time frame or agreement period

<sup>2</sup> Comment from the Group: This could be merged

<sup>3</sup> Comment from the Group: This could be merged

## United States of America

### **1. What are possible additional elements or information that are not captured in the informal note?**

- (a) Information on plans and actions to assist developing countries with the prioritization, planning, and management of domestic and international budgetary resources for mitigation and adaptation
- (b) Information on efforts to reduce international support for maladaptive investments;
- (c) Information on efforts to integrate climate considerations, including resilience, into their development strategies;
- (d) How international climate finance efforts do not crowd out domestic public and private climate finance
- (e) Information on how countries take an integrated approach to capacity building and technology transfer
- (f) How support is designed to be time bound and with an aim to enhance long-term domestic capacity and transition away from international support.
- (g) Information on efforts to collaborate and coordinate amongst all Parties and institutions providing support, including with emerging donors and new international financial institutions, such as the AIIB and NDB
- (h) Information on efforts to broaden the donor base, with a view to mobilizing the widest array variety of sources

### **2. Where are possible duplication or overlaps?**

<i>Overlap/duplication</i>	<i>Streamlined text</i>
<ul style="list-style-type: none"><li>- Sources of climate finance, amounts, financial instruments, channels, recipient countries/regional distribution, types of support (mitigation, adaptation, cross-cutting), targeted sectors, status (committed, pledged);</li><li>- Information on grant component of public intervention</li><li>- Information on the relationship between the public interventions used and the private finance mobilized, including information on the types of public interventions, instruments and climate relevance, as well as examples of public interventions that target adaptation or mitigation activities;</li></ul>	<ul style="list-style-type: none"><li>- Information on climate finance sources and instruments, including, information on grant finance as well as finance mobilized, and how these sources and instruments are suited to target support with regards to sector, region, recipients, and types of support (mitigation, adaptation, cross-cutting)</li></ul>

<ul style="list-style-type: none"> <li>- Indicative quantitative information on expected levels of climate finance through bilateral and other regional channels;</li> <li>- Indicative quantitative information on expected levels of climate finance through multilateral channels: GEF, LDCF, SCCF, AF, GCF and UNFCCC Trust Fund for Supplementary Activities; Other multilateral climate change funds; Multilateral financial institutions, development banks; Specialized United Nations bodies;</li> <li>- Indicative Amount of public finance on the capital markets e.g. for issuing public loans and mobilization of resources</li> <li>- Overview of trends;</li> <li>- Information on the baseline reference to facilitate comparison with the indicative quantitative information on expected levels of climate finance</li> </ul>	<ul style="list-style-type: none"> <li>- Indicative information on climate finance levels, including through bilateral and/or multilateral channels and the capital markets</li> </ul>
<ul style="list-style-type: none"> <li>- Information on criteria used to determine how developing country Parties financial needs are taken into account;</li> <li>- Information on actions taken and plans to mobilize and provide climate finance for the implementation of nationally determined contributions and national adaptation plans</li> <li>- Qualitative information that demonstrates how expected levels of climate finance reflect the needs and priorities of developing country Parties with total available resources, including gender responsive processes;</li> <li>- Information on targeted group and how this is complementary to the regional approach by developed countries.</li> </ul>	<ul style="list-style-type: none"> <li>- Information on how programmes, plans, and actions take into account developing country Parties needs and priorities [, in particular the needs of developing countries that are particularly vulnerable to the adverse effects of climate change], including as communicated through National Adaptation Plans and Nationally Determined Contributions.</li> <li>- Information on how Parties engage with development partners to enhance the efficiency, effectiveness, and [country-driveness][ownership][responsiveness] of support [taking into account developing country Parties needs and priorities, including as communicated through National Adaptation Plans and Nationally Determined Contributions]</li> </ul>

<ul style="list-style-type: none"> <li>- Information on actions taken to address the needs of developing country Parties that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints;</li> </ul>	
<ul style="list-style-type: none"> <li>- Information on actions taken and plans to mobilize and provide climate finance for the implementation of nationally determined contributions and national adaptation plans</li> <li>- Information on actions taken to mobilise scaled-up climate finance provided to developing country Parties building on submissions on strategies and approaches, which will end in 2020</li> <li>-</li> </ul>	-

3. How would you structure the informal note to better express the elements or information contained therein?

We would structure the informal note to capture consensus on elements, and separate out those elements that are outside of the scope of the mandate, are duplicative, or otherwise unavailable (eg. Elements that speak to ex-post finance elements)

## **AILAC inputs to the questions posed by the SBI15 co-chairs**

### ***Guiding questions***

1. What are possible additional elements or information that are not captured in the informal note?
2. Where are duplications or overlaps?
3. How would you structure the informal note to better express the elements or information contained therein?

### **Possible additional elements or information:**

- AILAC is of the view that we should build upon the the experience and lessons learned from the Strategies and Approaches for scaling up climate finance.
- In this regard, we consider that the informal note captures the necessary elements to move this process forward.
- Based on the exchange of views from the floor, AILAC wants to express a strong call to use agreed language when referring to SIDs and LDCs. Also, when referring to regional or geographical allocation it should be done in general.

### **Duplications and overlaps:**

- We have identified several overlaps under the heading, potential considerations for the preparation of quantitative and qualitative information to be biennially communicated in the context of Article 9, paragraph 5, of the PA. Some are textual and others are more of a conceptual nature. For example:
  - o References to the expected levels of climate finance, we see potential for consolidation on these;
  - o Several references to the categories of information related to the quantitative aspects to be discussed;
  - o There are also several mentions to the qualitative elements that we might want to address in these negotiations; for example, on the policies, programs and priorities, as well as the plans and actions taken;
  - o We've identified also some duplication of references regarding the aim to achieve a balance between adaptation and mitigation;
  - o Also included in the informal note are references to the long-term goal set in Article 2.1.c of the Paris Agreement that have potential to be streamlined.

### **Structure of the informal note:**

- AILAC is of the view that a possible way forward to have a structure that facilitates the exchanges of views is to cluster the information.
- In this regard, we might want to consider keeping some of the headings already included such as the "timing of work" and "general considerations" and attempt to cluster the qualitative and quantitative elements in two sections.



## DRAFT TEXT

on

### SBSTA agenda item 13

#### Modalities for the accounting of financial resources provided and mobilized through public interventions in accordance with Article 9, paragraph 7, of the Paris Agreement

Version 3 of 8 September 2018 2256H

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#### Draft decision

#### Modalities for the accounting of financial resources provided and mobilized through public interventions in accordance with Article 9, paragraph 7, of the Paris Agreement

#### [COP/CMA Decision]

#### Option 1:

*The Conference of the Parties serving as the Meeting of the Parties to the Paris Agreement*

*Based on the mandate contained in Decision 1/CP.21, paragraph 57,*

*Recalling Articles 4 and 11 of the Convention;*

*Further recalling Articles 2, 3, 4, 7, 8, 9, 10, 11, 13 of the Paris Agreement*

1. *[Takes note of decision XX/CMA on the information to be provided by Parties in their biennial communication of indicative support in accordance with Article 9, paragraph 5 of the Paris Agreement;]*
2. *[Confirms that the accounting reports by developed country Parties on financial resources provided through public interventions via the transparency framework will reflect the information provided in the biennial indicative communication of support;]*
3. *Endorses the modalities for the accounting of financial resources provided and mobilized through public interventions in accordance with article 9, paragraph 7, [applicable to the information to be reported under article 13 of the Paris Agreement,] as included in Annex I to this decision.*
4. *[Reaffirms that the modalities build on existing reporting guidelines for developed country Parties, including those specified in decision 2/CP.17 and decision 9/CP.21;]*
5. *Decides that these modalities shall be applicable as of the first report of developed country Parties under the transparency framework.*
6. *[Confirms that the information provided by developed country parties in their respective reports as per Article 9.7 should reflect the progression in the provision of finance under the Paris Agreement;]*
7. *[Encourages other Parties that provide support to implement these modalities when voluntarily reporting such support, if applicable and to the extent possible.]*

#### Option 2:

*The below annex would be adopted by the CMA in the decision adopting the transparency MPGs, and not as a standalone CMA decision. This would ensure that the guidance is coherent with the rest of the MPGs. Under the current APA5 tool, it would be included as part of Section E of the MPGs.*

## **Annex**

1. a. [These modalities shall be applicable as of the first report of developed country Parties under the transparency framework.]  
b. [Other Parties that provide support [should] [may] implement these modalities when voluntarily reporting such support, if applicable and to the extent possible.]
- 1.bis [Parties that provide support] [Developed country Parties] [Reporting Parties] [will][shall] provide information on financial support provided and mobilized to developing country Parties under Article 9, [developing country Parties report the information on voluntary basis], consistent with paragraph 9 of Article 13 and paragraph 7 of Article 9
- 1.ter [Each Party] [Developed country Parties] [Reporting Parties] that provides information on financial support provided and mobilized through public interventions, in accordance with paragraph 9 of Article 13 and paragraph 7 of Article 9 of the Paris Agreement, shall implement these modalities, taking into account Parties' different capacities.]
2. [The reports by developed country Parties on financial resources provided and mobilized through public interventions shall reflect the information provided in their biennial communication of indicative support]

### **A. National circumstances, institutional arrangements and country-driven strategies**

3. [Reporting Parties][Developed country Parties][Developed country Parties shall and developing country Parties should] [that provides information] [should][shall] provide information on national circumstances and institutional arrangements relevant to reporting on the provision and mobilization of support, such as a description of the systems and processes used [by Parties] to identify, track, and report on support provided and mobilized, including a description of the challenges and limitations.

### **B. [Cross-cutting] underlying assumptions, definitions, and methodologies**

4. In order to enhance transparency on reporting, each [reporting Party][developed country Party][developed country Party shall and developing country Party should] [Parties] [that provides information] [should][shall] describe its underlying assumptions, methodologies and definitions used in reporting [, as applicable and available,] including those used to:
  - (a) Report in the chosen reporting year [, including methodology used to calculate annualized information;]
  - (b) Convert between domestic currency and USD [exchange rate calculation;]
  - (c) Identify and report status (i.e., committed, disbursed) [, including official documentation;]
  - (d) Identify and report the channel (i.e., bilateral, regional, multilateral;)
  - (e) [Identify and report support as coming from the specified sources (i.e., ODA, OOF, private, or other;]
  - (f) Identify and report support as being “adaptation,” “mitigation,” or “cross-cutting,” [“loss and damage”];]
  - (g) Identify and report support as being a “grant,” “concessional loan,” [“non-concessional loan,”] [“equity,”] [“guarantee,”] [“insurance,”] or “other financial instrument.”;
  - (h) [Identify and report both face value and grant-equivalent value;]
  - (i) Identify and report sectors;

- (j) [Identify and report sub-sectors;]
- (k) [Identify and report sub-sectors;]
- (l) Identify and report support as going to the recipient;
- (m) [Identify and report net finance provided, in case where loan repayments by recipient countries the period of reporting is done] [,as well as loan repayments and return on investments;]
- (n) Identify and report [whether it][how it has] supported capacity-building and technology-transfer objectives [, including the share of support that contributes to this objective;]
- (o) Identify and report support as being “climate-specific”;
- (p) Avoid double counting among multiple Parties involved in the provision and mobilization of support;
- (q) Identify and report resources as provided;
- (r) Identify and report finance as being mobilized (i.e., those related to assumptions establish causality between a public intervention and mobilized finance, [including evidence,] boundaries, time-period, [leveraging factor per type of public intervention reported];)
- (s) [Identify hw resources are considered to implement Paris Agreement efforts in developing countries;]
- (t) [Identify and report how support is considered new and additional and how it represents a progression from previous levels;]
- (u) [Identify and report how [support has][resources have] been targeted at NDCs/NAPs/country needs, [including for loss and damage,] and how [it has][they have] facilitated the implementation of the Paris Agreement;]
- (v) [Identify and report how resources are consistent with Article 2.1(c) and contribute to the fulfillment of finance goals;]
- (w) [Report on outflows through multilateral channels to developing country Parties, including methodologies, information from financial institutions by financial instrument and recipient;]
- (x) [Criteria used by Parties and international financial institutions to identify contributions and outflows as being climate specific;]
- (y) [How information submitted was mutually agreed/cross-checked with recipients before submitting;]
- (z) [Identify and report the amount of funding disbursed per each beneficiary country, in cases where a project involves more than one country;]
- (aa) [Calculate the amount of resources provided to mobilize support;]
- (bb) [Report qualitative information such as good practices on public policy and regulatory frameworks to incentivize further private climate financing and investments;]
- (cc) [Identify and report on how the resources used through emission trading schemes with developing countries were not counted as support provided or mobilized;]
- (dd) [Information on how developed country Parties have been enhancing comparability and ensuring harmonization of their information with those of other developed country parties reported information;]
- (ee) [Information on imputed multilateral contributions, i.e. a percentage of their core contribution, based on the totals reported by the MDB on overall climate-specific financing by MDBs. Obviously reporting needs to avoid double-counting;]
- (ff) [Defining public and private finance, in particular in cases where entities or funds are mixed]

(gg) [Attributing mobilised private finance, where multiple public actors are involved;]

(hh) [Assessing causality between public interventions and flows of private finance;]

4.bis [In order to improve comparability of reporting, Parties shall use international standards, to the extent possible, in the provision of information of financial support provided and mobilized through public interventions;]

## **C. Information on financial support provided [and mobilized under Article 9]**

### *Bilateral, regional and other channels*

5. [Reporting Parties][Each Party][Developed country Parties][Developed country Parties shall and developing country Parties should] [shall] [should] include, for the previous two reporting years without overlapping with the previous reporting periods, relevant information on bilateral and regional financial support provided, specifying [, as applicable and available]:

- (a) Year (i.e., calendar year, fiscal year);
- (b) Amount (i.e., in USD and domestic currency) [(including face value and grant-equivalent value);]
- (c) Status (i.e., disbursed, committed);
- (d) Channel (i.e., bilateral, regional);
- (e) [Source (i.e., ODA, OOF, and other);]
- (f) Type of support (i.e., mitigation, adaptation, cross-cutting, [loss and damage]);
- (g) Financial instrument (e.g., grant, concessional loan, [non-concessional loan,] [equity,] [guarantee,] [insurance,] other (specify));
- (h) Sector (i.e., energy, transport, industry, agriculture, forestry, water and sanitation, cross-cutting, other (specify));
- (i) [Sub-sector];
- (j) Recipient (e.g. country, region, global, project, programme, activity, other (specify));
- (k) [Whether][how] it contributes to technology development and transfer objectives [(i.e., yes or no)] [, including the share of support that contributes to this objective;]
- (l) [Whether][how] it contributes to capacity building objectives [(i.e., yes or no)] [, including the share of support that contributes to this objective;]
- (m) Additional information;
- (n) [Transaction and overhead costs, loan repayments and return on investments;]
- (o) [Climate-specific;]
- (p) [New and additional;]
- (q) [Link to mobilized resources;]
- (r) [Needs of the recipient]

### *Multilateral channels*

6. [Reporting Parties][Each Party][Developed country Parties][Developed country Parties shall and developing country Parties should] [shall][should] also include, for the

previous two reporting years without overlapping with the previous reporting periods, relevant information on financial support provided through multilateral channels, including the Operating Entities of the Financial Mechanism [and the entities of the Technology Mechanism], specifying [, as applicable and to the extent possible]:

- (a) Year (i.e., calendar year, fiscal year);
- (b) Institution;
- (c) [Recipient (e.g. [country, region, global, project, programme, activity,][multilateral fund, international organization] other (specify));]
- (d) Amount (i.e., in USD and domestic currency) [(including face value and grant-equivalent value);]
- (e) Status (i.e., disbursed, committed);
- (f) [Source (i.e., ODA, OOF, and other);]
- (g) [Nature (i.e., core/general, climate-specific), as appropriate;]
- (h) Type of support (i.e., mitigation, adaptation, cross-cutting, [loss and damage];)
- (i) Financial instrument (e.g., grant, concessional loan, [non-concessional loan,] [equity,] [guarantee,] [insurance,] other (specify));
- (j) Sector (i.e., energy, transport, industry, agriculture, forestry, water and sanitation, cross-cutting, other (specify));
- (k) [Sub-sector];
- (l) [Transaction and overhead costs, loan repayments and return on investments];
- (m) [[Whether][how] it contributes to technology development and transfer objectives [(i.e., yes or no)] [, including the share of support that contributes to this objective.]];
- (n) [[Whether][how] it contributes to capacity building objectives [(i.e., yes or no)] [, including the share of support that contributes to this objective.]];
- (o) [Outflows]

### *Information on finance mobilized through public interventions*

7. [Recognizing the important role of climate-specific support mobilized through public interventions, as referred to in Article 9, paragraph 3], [Parties][developed country Parties][developed country Parties shall and developing country Parties should] [shall][should] report, for the previous two reporting years without overlapping with the previous reporting periods, relevant information on support mobilized through public interventions through bilateral, regional and multilateral channels, including the Operating Entities of the Financial Mechanism, [and the entities of the Technology mechanism], specifying [, as applicable and to the extent possible]:

- (a) Year (i.e., calendar year, fiscal year);
- (b) Amount [(i.e., in USD and domestic currency)] [(including face value and grant-equivalent value);]
- (c) [Amount of resources used to mobilize the support (i.e., in USD and domestic currency);]
- (d) Recipient [(e.g. country, region, global, project, programme, activity, other (specify));]
- (e) [Type of public intervention used to mobilize the support reported (i.e., grant, concessional loan, [non-concessional loan,] [equity,] policy intervention, capacity building, technology transfer, technical assistance);]

- (f) Type of support [i.e., mitigation, adaptation, cross-cutting, [loss and damage].);]
- (g) Sector [(i.e., energy, transport, industry, agriculture, forestry, water and sanitation, cross-cutting, other (specify));]
- (h) [Sub-sector;]
- (i) [Recipient country share of mobilization;]
- (j) Additional information;
- (k) [Good practice and public policies/ regulatory framework]

## **D. Reporting format**

8. A common tabular reporting format shall be developed [in line with the modalities for][to facilitate [reporting on]] [the accounting of] financial resources provided and mobilized through public interventions in accordance with Article 9, paragraph 7 of the Paris Agreement.
9. [Requests the Subsidiary Body for Scientific and Technological Advice to develop the common tabular format referenced in paragraph [x] above for consideration by the Conference of the Parties Serving as the Meeting of the Parties to the Paris Agreement by no later than its [x] session].
10. [Reporting Parties][Developed country Parties][Developed country Parties shall and developing country Parties should] [should][shall] report the information referenced in [section][paragraph][(s)[9,10 and 11] [x]] above in a common tabular format and the information referenced in [section][paragraph[(s) [8][[x] and [y]]] above in a summary narrative format.]



## **Revised additional tool under item 8 of the agenda**

### **Further matters related to implementation of the Paris Agreement: (a) Preparing for the convening of the first session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement**

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

##### *Second iteration*

1. This note captures the outcome of Parties' work under agenda sub-item 8(a), "Further matters related to implementation of the Paris Agreement: preparing for the convening of the first session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement", that addresses matters relating to the Adaptation Fund. The note was prepared, under their own responsibility and under the guidance of the APA Co-Chairs, by the co-facilitators of the negotiations on this item, Ms. María del Pilar Bueno (Argentina) and Mr. Pieter Terpstra (Netherlands).
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.

## Preamble

*Emphasizing* the added value of the Adaptation Fund in providing support to developing country Parties such as through the following:

- a) [The principle of country-ownership];
- b) [Small scale projects];
- c) [Innovative approaches];
- d) [Direct access] [Enhanced direct access];
- e) [Its experience in monitoring and evaluation of projects].

*[Reaffirming* the sustainability, adequacy and predictability of funding for the Adaptation Fund;]

*[Welcoming] [Confirming]* decision 1/CMP.13, paragraph 12, that decides that the Adaptation Fund shall serve the Paris Agreement subject to and consistent with decisions to be taken at the third part of the first session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (December 2018), in line with decision 1/CMA.1, paragraph 11

## I. Governance and institutional arrangements

### A. Governance/institutional arrangements/date/exclusivity

[Placeholder on how CMA will provide guidance to the AFB]

[Placeholder on the AF continuing to function without disruption]

**Option 1** *{AF serves both PA and KP and is accountable to the CMP for KP matters and the CMA for PA matters}*

1. The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA), decides that the Adaptation Fund shall serve under the guidance of, be accountable to, and report to the CMA with respect to all matters related to the Paris Agreement as of COP 24. The CMA notes that the Adaptation Fund continues to serve the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP).

**Option 2** *{AF serves both PA and KP and thereafter only PA. Firstly accountable to CMA and CMP, then when PA only accountable to CMA; CMP to confirm}*

The CMA decides that the Adaptation Fund shall serve the Paris Agreement from 1 January 2019 and be accountable to, report to and be under the guidance of the CMA.

The CMA recommends to the CMP that the Adaptation Fund shall continue to serve the Kyoto Protocol and also be accountable to, report to and be under the guidance of the CMP until [date][31 December 2022][31 December 2023].

The CMA also recommends to the CMP to decide that the Adaptation Fund shall exclusively serve the Paris Agreement from date mentioned in the paragraph above.



**Option 3** *{AF serves KP until [date] and thereafter it starts serving the PA}*

Decides that from 2020 the Adaptation Fund shall serve the Paris Agreement, subject to a CMP decision at CMP 15 (2019) that the AF serves the PA exclusively from 2020.

Decides that from that date the AF shall be under the guidance of, be accountable to, and report to the CMA.

The CMA recommends to the CMP 15 (2019), that the AF stops serving the KP from the date specified in the paragraph above.

**Option 4** *{AF is accountable to the CMP, and serves the KP and PA}*

The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) confirms that the Adaptation Fund shall [serve and report to] [subject to the authority and guidance of] the CMA with respect to all matters related to the Paris Agreement as of COP 24. The CMA notes that the Adaptation Fund remains under the authority and guidance of and be accountable to the CMP, and that the CMP will transmit guidance from the CMA to the AFB.

[Placeholder for a CMA decision on a range of elements that clarifies the scope of the Adaptation Fund activities in relation to serving the Paris Agreement, i.e clarifications in relation to decision 1.CMP/3, in relation to decision 1.CMA/1]

**B. Board composition / practices**

**1. Eligibility for Board membership**

[Decides that from [date] the following shall come into effect:]

*{Parties to the KP and/or the PA}*

2. The CMA decides that the Adaptation Fund Board shall comprise [of] members representing Parties to the [Kyoto Protocol] [and][Paris Agreement][only].

**2. Representation**

[Placeholder for all relevant Parties to be represented when the Adaptation Fund Board takes up matters related to the Paris Agreement]

**Option 1**

3. The CMA decides that once the AF serves the Paris Agreement, the Adaptation Fund Board membership will be in accordance with 1/CMP.3, paragraph 6.

## **Option 2**

*{Change to Board representation}*

[Placeholder for changes based on

- a) [One representative of the least developed country Parties and one representative of the small island developing States; [preserving representation from the least developed country Parties and the small island developing States];
- b) [Ensuring adequate geographic representation];
- c) [Representation not categorized according to representatives from [the Parties included in Annex I to the Convention (Annex I Parties)] [developed country Parties] and/or representatives from [the Parties not included in Annex I to the Convention (non-Annex I Parties)]] [developing country Parties]
- d) [Decision 36/CP.7 on the need to achieve gender balance];]

## **Option 2bis**

*Decides* that the Adaptation Fund Board shall comprise [16] members representing Parties to the Paris Agreement, taking into account fair and balanced representation among these groups as follows, while ensuring an adequate gender balance:

- a) [Two] representatives from each of the five UN regional groups;
- b) [One] representative of the small island developing States;
- c) [One] representative of the least developed country Parties;
- d) [Two] other representatives from developed country Parties;
- e) [Two] other representatives from developing country Parties

## **Option 2 ter**

*Decides* that, effective immediately after the AF serves the PA, the Adaptation Fund be governed by a board consisting of 18 members and 18 alternates representing Parties to the Paris Agreement and aiming to achieve gender balance on the board, each composed as follows:

- a) Three representatives from the African Group, including at least one from SIDS and at least one from LDCs;
- b) Three representatives from the Asia-Pacific Group, including at least one from SIDS and at least one from LDCs;
- c) Three representatives from the Eastern European Group;
- d) Three representatives from the Latin American and Caribbean Group; including at least one from SIDS and at least one from LDCs;
- e) Three representatives from the Western European and Others Group

### **Option (a)**

- f) [Three representatives from the Parties providing contributions to the Adaptation Fund]

### **Option (b)**

- f) [Three representatives to be decided as follows:
  - (i) If, for the preceding two calendar years more than 30% of the sources of funding come from voluntary contributions by Parties, the representatives shall come from Parties contributing financing to the Adaptation Fund.

- (ii) If, for the preceding two calendar years less than 30% of the sources of funding come from voluntary contributions by Parties, the representatives shall come from recipients of Adaptation Fund funding.]

### **Option 3**

[Placeholder for changes based on the decision related to sources of funding]

### **3. Timing**

**Option 1** *{No further decision required}*

**Option 2** *{Change to Board representation immediately after AF serves PA}*

4. Decides that the change to [eligibility to and] representation on the Board shall be effective[ly] [immediately after the Adaptation Fund serves the Paris Agreement] [from] [COP 24] [CMA 1.3] [2020] [2021].

[Placeholder – CMA recommends to the CMP to agree to the change of the Board composition if the AF remains accountable to the CMP]

**Option 3** *{Change to Board representation to be determined by the CMP/CMA at a later stage}*

Decides that the change to representation on the Board shall be determined by the [CMP] [CMA] [by date] [at a later stage].

[Placeholder – CMA recommends to the CMP to agree to the change of the Board composition if the AF remains accountable to the CMP]

### **4. Decision Making**

5. [[Acknowledges][Recommends][Notes] that a change in the composition of the Board should take into account the number of members required to be present to constitute a quorum for decision-making by the Adaptation Fund Board.]
6. [Decides that three quarters of the members of the Adaptation Fund Board must be present at the meeting to constitute a quorum;]

## **II. Operating Modalities**

### **A. Operating modalities**

**Option 1** *{No changes to operating modalities}*

7. The CMA decides that the [operating modalities] [operational policies and guidelines, including the fiduciary risk management standards, the environmental and social safeguards policies and the gender policies and action plan of the Adaptation Fund as it serves the Kyoto Protocol] shall apply mutatis mutandis for the Adaptation Fund to serve the Paris Agreement.

**Option 2** *{Legal changes to modalities}*

The CMA decides that the [operating modalities] [operational policies and guidelines, including the fiduciary risk management standards, the environmental and social safeguards policies and the gender policies and action plan of the Adaptation Fund as it serves the Kyoto Protocol] shall be changed only for legal matters that allow the Fund to serve the Paris Agreement.

**Option 3** *{Changes to modalities}*

The CMA decides that the [operating modalities] [operational policies and guidelines, including the fiduciary risk management standards, the environmental and social safeguards policies and the gender policies and action plan of the Adaptation Fund as it serves the Kyoto Protocol] shall be changed for the Adaptation Fund to serve the Paris Agreement to include the following:

[Placeholder - The CMA invites the CMP to request the AFB to establish a policy to open accreditation for multiple national implementing entities from a single developing country and other policies to be clarified;]

**Option 4** *{Review whether changes are needed}*

The CMA recommends that the CMP mandates the AFB to undertake further work on whether changes are required to the [operating modalities] [operational policies and guidelines, including inter alia the fiduciary risk management standards, the environmental and social safeguards policies and the gender policies and action plan] for the Adaptation Fund to serve the Paris Agreement.

## **B. Funding priorities**

8. The CMA [will] [continue to] promote coordination with other [Funds] [in particular] [the operating entities under the Financial Mechanism], to ensure coherence and complementarity.

9. [The CMA notes that the AF is not an operating entity of the Financial Mechanism of the Convention] / [The CMA recommends that the AF shall be an operating entity of the Financial Mechanism of the Convention [by date]]

**Option 1** *{Existing priorities and additional principles}*

10. The CMA decides that funding shall continue to be guided by the following:
- a. Access to the Fund in a balanced and equitable manner for eligible countries;<sup>1</sup>
  - b. A full adaptation cost basis of projects and programmes to address the adverse effects of climate change<sup>2</sup>
  - c. No duplication with other sources of funding for adaptation in the use of the Adaptation Fund;<sup>3</sup>
  - d. [Any additional principles]

**Option 2** *{Change to funding priorities}*

[The CMA decides that funding shall be prioritized for least developed country Parties and the small island developing States].

## **C. Sources of funding – Eligibility**

**Option 1** *{Kyoto Protocol and Paris Agreement Parties}*

11. The CMA decides that from [date][1 January 2019][2020][2021] developing country Parties to the Paris Agreement [that are particularly vulnerable to the adverse effects of climate change]<sup>4</sup> are eligible for funding from the Adaptation Fund to assist them in meeting the costs of adaptation in accordance with decision 1/CMP.3 paragraph 1.<sup>5</sup>

<sup>1</sup> Decision 5/CMP.2, para 1 (b)

<sup>2</sup> Decision 5/CMP.2, para 1 (d)

<sup>3</sup> Decision 5/CMP.2, para 1 (g)

<sup>4</sup> Decision 1/CMP.3, paragraph 1.

<sup>5</sup> Decision 1/CMP.3, paragraph 1.

The CMA recommends to the CMP that developing country Parties to the Kyoto Protocol that are particularly vulnerable to the adverse effects of climate change continue to be eligible for funding from the Adaptation Fund to assist them in meeting the costs of adaptation.<sup>6</sup>

**Option 2** *{Kyoto Protocol and Paris Agreement Parties during transition. Later Paris Agreement Parties exclusively}*

The CMA decides that from [date][1 January 2019][2021] developing country Parties to the Paris Agreement [that are particularly vulnerable to the adverse effects of climate change]<sup>7</sup> are eligible for funding from the Adaptation Fund to assist them in meeting the costs of adaptation.

The CMA also takes note that following the transitional period [as defined in para X above], only developing country Parties to the Paris Agreement will be eligible for funding from the Adaptation Fund. [To be determined: possible reference to interim/transitional period or corresponding action for CMP].

**Option 3**

[Placeholder - The CMA decides that developing country Parties to the Paris Agreement are eligible for funding from the Adaptation Fund.]

## **C. Sources of funding**

12. [The CMA decides that the Adaptation Fund shall be financed [primarily] from [the share of proceeds [on the mechanisms under] [in line with] Article 6 of the Paris Agreement,] [as well as] voluntary public funding and other sources of funding including innovative sources of funding.]

13. [The CMA invites Parties [and international organizations] to continue providing funding to the Adaptation Fund.]

14. [The CMA recommends to the CMP that the Adaptation Fund shall continue to be financed from the share of proceeds on the clean development mechanism project activities of the Kyoto Protocol [during the transitional period].]

15. [Placeholder for the CMA recommends to the CMP to request further legal work so that the interim trustee is able to implement the recommendation contained in the paragraph above.]

16. [Placeholder for [no text] [changed only for legal matters to allow the Fund to serve the Paris Agreement]]

17. [The CMA decides that the Adaptation Fund shall be financed from [a share of proceeds from activities under the mechanism referred to in Article 6.4 of the Paris Agreement] [, voluntary public funding and other sources of funding].]

18. [Placeholder – Decides also that the AF shall be financed from the share of proceeds on the clean development mechanism project activities and other sources of funding (decision 10/CP.7, paragraph 2).]

<sup>6</sup> Decision 1/CMP.3, paragraph 1

<sup>7</sup> Decision 1/CMP.3, paragraph 1.

### III. Safeguards

#### A. Policies

##### Option 1 *{Existing policies}*

19. The CMA notes that the Adaptation Fund shall continue to apply existing policies and guidelines on safeguards [mutatis mutandis].

##### Option 2 *{Review whether to amend policies}*

The CMA invites the CMP to request the [Adaptation Fund Board] [Ad Hoc Body] to review whether amendments are needed to existing policies and guidelines on safeguards.

##### Option 3 *{Amend/enhance existing policies}*

The CMA invites the CMP to request the [Adaptation Fund Board] [Ad Hoc Body] to [amend] [enhance] its policies and guidelines on safeguards.

#### B. Work for the Adaptation Fund Board / Ad hoc Body

*{CMA requests AFB to undertake preparatory work}*

20. The CMA [invites] [ recommends that] the CMP to [request] [mandate] the [Adaptation Fund Board] [Ad hoc body] to undertake preparatory work starting at CMA 1 and report back to the CMA by [date] [2019] [2020] [timeline to be determined by the AFB] related to:

- a) [Arrangements] [adjustments] for secretariat and trustee services, to the Adaptation Fund;<sup>8</sup>
- b) Legal personality for the Fund;
- c) The rules of procedure for application for funding;<sup>9</sup>
- d) The necessary legal arrangements for secretariat and trustee services to the Adaptation Fund;<sup>10</sup>
- e) [Review of] operational modalities, policies and guidelines, including the fiduciary risk management standards, the environmental and social safeguards policies [in order to align them with international best practices, recognizing the small scale of projects and programmes], in particular related to indigenous peoples and traditional knowledge; disclosure, the independent accountability mechanism, the independent monitoring and evaluation system, anti-money laundering system, and the gender policies and action plan for the Adaptation Fund to serve the Paris Agreement;
- f) The unique role in the financial architecture, including providing direct access modalities, grants for adaptation, small scale projects;
- g) [The definition of innovative sources of finance];
- h) Enhanced adherence by accredited entities to robust safeguard policies;
- i) Any other matter to ensure that there is no operational gap in having the Fund serve the Paris Agreement.

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<sup>8</sup> Only the governing body (i.e. CMP or CMA), with accountability over the Adaptation Fund and its Board has the authority to give this mandate to the Board).

<sup>9</sup> Only the governing body (i.e. CMP or CMA), with accountability over the Adaptation Fund and its Board has the authority to give this mandate to the Board).

<sup>10</sup> Only the governing body (i.e. CMP or CMA), with accountability over the Adaptation Fund and its Board has the authority to give this mandate to the Board).

**DRAFT TEXT**  
**on**  
**SBI 48.2 agenda item 14(a)**

**Development and transfer of technologies**  
**Scope of and modalities for the periodic assessment of the Technology**  
**Mechanism in relation to supporting the implementation of the**  
**Paris Agreement**

Version 2 of 8 September 19:00 hrs

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**[Draft decision**

**Scope of and modalities for the periodic assessment of the effectiveness and adequacy of the support provided to the Technology Mechanism in relation to supporting the implementation of the Paris Agreement**

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

*Recalling decisions 1/CP.21 and 1/CP.23,*

1. *Welcomes* with appreciation the work of the Subsidiary Body for Implementation in elaborating the scope of and modalities for the periodic assessment of the effectiveness and adequacy of the support provided to the Technology Mechanism in supporting the implementation of the Paris Agreement on matters relating to technology development and transfer, in accordance with decision 1/CP.21, paragraph 70;
2. *Adopts* the scope of and modalities for the periodic assessment referred to in paragraph 1 above as contained in the annex;
3. *Decides* that the periodic assessment referred to in paragraph 1 above should be concise, lean, workable, transparent, efficient, results-oriented, inclusive and participatory. [It should avoid complexity and duplication and also minimize additional costs and efforts.]
4. *Decides* to initiate the periodic assessment referred to in paragraph 1 above at its session to be held in November 2021 in accordance with the scope and modalities as contained in the annex, with a view to completing the periodic assessment at its session to be held in November 2022;
5. *{Placeholder for consideration of the relationship between the CTCN review and the periodic assessment}.*

## Annex

### **Scope of and modalities for the periodic assessment of the Technology Mechanism in relation to supporting the implementation of the Paris Agreement**

#### **I. Scope**

1. [The mandate is to undertake a periodic assessment of the effectiveness and adequacy of the support provided to the Technology Mechanism in supporting the implementation of the Paris Agreement on matters relating to technology development and transfer (hereinafter referred to as the periodic assessment).<sup>1</sup> The scope has two elements:<sup>2</sup>

(a) The effectiveness of the Technology Mechanism in supporting the implementation of the Paris Agreement on matters relating to technology development and transfer;

(b) The adequacy of support provided to the Technology Mechanism in supporting the implementation of the Paris Agreement on matters relating to technology development and transfer.]

#### **A. Effectiveness of the Technology Mechanism**

2. [On the effectiveness of the Technology Mechanism in supporting the implementation of the Paris Agreement, as guided by the technology framework; the criteria for the assessment are, but not limited to:

(a) [Impact, that is] how the Technology Mechanism has:

(i) Facilitated the [transformational changes envisioned in][implementation of] the Paris Agreement;

(ii) Contributed to the achievement of the long-term vision referred to in Article 10, paragraph 1, of the Paris Agreement;

(ii)bis. Contributed to strengthening cooperative action on technology development and transfer;

(iii) [Enhanced the scale and accelerated the speed of climate technology flows, and enhanced the mitigation and adaptation effects of those flows for achieving Article 2 of the Paris Agreement. In this context, also how it has enhanced the financial flows embodied in these technology flows;]

(iv) [Enhanced][Supported] the implementation of the technology elements of nationally determined contributions [and technology needs assessments];]

(b) [[Performance][Outcome], that is] how the Technology Mechanism has:

(i) Undertaken its work in a cost-effective and efficient manner;

(ii) [Achieved success [in terms of how the bodies of the Technology Mechanism have implemented their workplans.][, and what this success is;]]

(iii) Overcome challenges and addressed gaps;

(iv) Identified opportunities for improvement;

(v) [Cooperated with other stakeholders in implementing the Paris Agreement;]

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<sup>1</sup> Decision 1/CP.21, paragraph 69.

<sup>2</sup> FCCC/SBI/2016/8, paragraph 94.



- (c) Responsiveness, that is how the Technology Mechanism has:
    - (i) [Responded to overarching guidance provided by the technology framework referred to in Article 10 of the Paris Agreement, including aligning its work with the themes of the technology framework;]
    - (ii) Responded to existing mandates[, functions and guidance from Parties].]
3. [To undertake the assessment of the effectiveness referred to in paragraph 2 above, the work of the Technology Mechanism in implementing the Paris Agreement on matters relating to [cooperative action on] technology development and transfer to be assessed may include:
- (a) The work of the Technology Mechanism as guided by the technology framework;<sup>3</sup>
  - (b) The work of the Technology Executive Committee (TEC) in supporting the implementation of the Paris Agreement on matters relating to technology development and transfer;
  - (c) The work of the Climate Technology Centre and Network (CTCN) in supporting the implementation of the Paris Agreement on matters relating to technology development and transfer, including in relation to:
    - (i) The implementation of its three core services: responding to requests from developing countries; fostering collaboration and sharing of information; strengthening networks, partnerships and capacity-building;
    - (ii) Its institutional arrangements;
    - (iii) The work of nationally designated entities;
  - (d) The collaboration between the TEC and the CTCN[, and the linkages between those bodies and institutional arrangements under and outside the Paris Agreement];
  - (e) The work on technology needs assessments and the implementation of technology action plans to support the implementation of the Paris Agreement on matters relating to technology development and transfer.]

## **B. Adequacy of the support provided to the Technology Mechanism**

4. On the adequacy of support provided to the Technology Mechanism in supporting the implementation of the Paris Agreement on matters relating to technology development and transfer, the scope may include the assessment of:
- (a) The type of support provided, including whether financial or in kind;
  - (b) What the support was provided for:
    - (i) Mitigation or adaptation actions;
    - (ii) Actions at different stages of the technology cycle;
  - (c) Who the support was provided to:
    - (i) The TEC;
    - (ii) The CTCN[, including Network members ][and consortium partners];
    - (iii) [Nationally designated entities, including national support to these entities;]

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<sup>3</sup> The Subsidiary Body for Scientific and Technological Advice, at its forty-sixth session, noted that the technology framework can play a strategic role in improving the effectiveness and efficiency of the work of the Technology Mechanism by addressing the transformational changes envisioned in the Paris Agreement and the long-term vision for technology development and transfer, referred to in its Article 10. See document FCCC/SBSTA/2016/4, paragraph 28.

- (d) [The scale[, predictability and additionality] of the support][, including:]
  - (i) [Who provides support to the Technology Mechanism;]
  - (ii) [The overall amount of support provided.]
- (e) [Option 1: The gap in support [based on existing budgets and plans].]  
 [Option 2: The support needed by the Technology Mechanism in supporting the implementation of the Paris Agreement on matters related to the development and transfer of technology.]

## II. Modalities

5. The periodic assessment is undertaken by:
  - (a) The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA), which will initiate and finalize the assessment;
  - (b) The Subsidiary Body for Implementation (SBI), which will support the CMA by, inter alia, undertaking analysis and sending draft recommendations to the CMA;
  - (b) bis. The SBI will consider the preliminary outcomes from the work of the secretariat referred to in paragraph (c) below at its first sessional period in the year in which the CMA will finalize the assessment;
  - (c) The secretariat, which will support the CMA and the SBI by preparing synthesis reports and technical papers;
6. The periodic assessment is both qualitative and quantitative:
  - (a) Qualitative elements may include reviewing existing reports and gathering information from stakeholders [, inter alia, through electronic questionnaires and at meetings];
  - (b) Quantitative elements may include collecting data and undertaking statistical analysis.
7. The sources of information for the periodic assessment include, but are not limited to:
  - (a) The technology framework;
  - (b) The joint annual reports of the TEC and the CTCN to the CMA;
  - (c) [Other UNFCCC reporting documents relevant to the implementation of the Paris Agreement on matters relating to technology development and transfer[; for example, nationally determined contributions, technology needs assessments, national communications and biennial reports;]]
  - (d) [Information provided by stakeholders [and considered by Parties]. The stakeholders that provide information may include TEC members, members of the CTCN Advisory Board, nationally designated entities, CTCN Network members, UNFCCC national focal points, Global Environment Facility focal points, governments, the private sector, representatives of financial institutions under and outside the Paris Agreement (including the Standing Committee on Finance, the Global Environment Facility and the Green Climate Fund), civil society, climate-related scientific institutions and the final recipients of the work of the Technology Mechanism;]
  - (e) Documents and outcomes resulting from the independent reviews of the CTCN;
  - (f) [The work on transparency of action and support referred to in Article 13 of the Paris Agreement;]
  - (g) [[Relevant] Reports of the Intergovernmental Panel on Climate Change.]
  - (h) [Outcomes of the global stocktake referred to in Article 14 of the Paris Agreement.]

8. [A pre-implementation assessment will be undertaken before the first periodic assessment.]
9. The periodic assessment will:
- (a) Be undertaken every five years;
  - (b) Take one year or less to complete;
  - (c) The first periodic assessment will be initiated in 2021 with a view to completing the assessment in 2022.
10. [The outcomes of the periodic assessment [may][should] include:
- (a) A report to the CMA through the SBI;
  - (b) Recommendations of the CMA on updating the technology framework;
  - (c) Input to the global stocktake.]
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## DRAFT TEXT

on

### SBSTA 48.2 agenda item 5

#### Development and transfer of technologies: Technology framework under Article 10, paragraph 4, of the Paris Agreement

Version 2 of 9 September 13:00 hrs

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#### **Elements of a draft CMA decision on the technology framework under Article 10, paragraph 4, of the Paris Agreement**

1. *{placeholder for the adoption of the technology framework as contained in the annex}*;
2. *Decides* that the Technology Executive Committee and the Climate Technology Centre and Network, consistent with their respective functions and mandates, shall implement the technology framework, under the guidance of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;
3. *Requests* the Technology Executive Committee and the Climate Technology Centre and Network to incorporate the guidance contained in the technology framework into their workplans and programme of work, respectively, in accordance with their respective existing modalities of work;
4. *Also requests* the Technology Executive Committee and the Climate Technology Centre and Network to include information on how they have responded to the request referred to in paragraph 3 above in their joint annual report to the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement<sup>1</sup> for 2019 or XXX;
5. *Further requests* the Technology Executive Committee and the Climate Technology Centre and Network to report on the progress of their work in implementing the technology framework in their joint annual reports to the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;
6. *{placeholder for guidance to other UNFCCC bodies in relation to the operationalisation of the technology framework}*;
7. *{placeholder for linkages to other process/mechanism, e.g. periodic assessment of the Technology Mechanism}*.

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<sup>1</sup> In accordance with decision 1/CP.21, paragraph 68.

## Annex

### Updated draft of the technology framework under Article 10, paragraph 4, of the Paris Agreement

*This updated draft captures Parties' deliberations on the draft of the technology framework during this session. It is a work in progress and does not represent consensus.*

*The approach used to reflect Parties' deliberations in the updated draft is as follows:*

- *Brackets are used to indicate alternative words or Parties' diverging views on issues;*
- *Italics in curly brackets are used to indicate proposals related to new subsections or restructuring of subsections/paragraphs;*
- *Option is used to indicate alternative text.*

*All subheadings are currently maintained to assist in navigating the content of the document.*

*All paragraphs containing placeholders for the role of the Technology Mechanism and other stakeholders will be discussed in the context of the draft decision.*

*All paragraphs under the actions part for each key theme containing "enhancement of" or "enhanced" will be reviewed for the appropriate use of this wording at a later stage.*

*Parties noted that subsection Ibis of section III.A will be taken up during the discussion on the key theme of support and some elements may remain in section III.A.*

*{Paragraphs 1–4 were proposed to be reformulated as preambular paragraphs}*

## I. Purpose

1. The purpose of the technology framework under the Paris Agreement is to provide overarching guidance to the work of the Technology Mechanism in promoting and facilitating enhanced action on technology development and transfer in order to support the implementation of the Paris Agreement in pursuit of the long-term vision referred to in Article 10, paragraph 1, of the Paris Agreement.<sup>1</sup> The long-term vision on technology development and transfer shared by Parties relates to the importance of fully realizing technology development and transfer in order to improve resilience to climate change and to reduce greenhouse gas emissions.

2. The technology framework can play a strategic role in improving the effectiveness and efficiency of the work of the Technology Mechanism, which consists of the Technology Executive Committee (TEC) and the Climate Technology Centre and Network (CTCN), by addressing the transformational changes envisioned in the Paris Agreement and the long-term vision on technology development and transfer.<sup>2</sup>

## II. Principles

3. The principles of the technology framework, which are coherence, inclusiveness, results-oriented approach, transformational approach and transparency, should guide the Technology Mechanism in implementing the Paris Agreement.<sup>3</sup> Applying them requires [the actions and technology-related] activities [undertaken by the Technology Mechanism] under the framework, respectively:

(a) To align with the long-term vision on technology development and transfer and other provisions of the Paris Agreement, [the existing] national plans and strategies under

<sup>1</sup> FCCC/SBSTA/2016/4, paragraph 28.

<sup>2</sup> FCCC/SBSTA/2016/4, paragraph 28.

<sup>3</sup> FCCC/SBSTA/2017/4, paragraph 31.

the UNFCCC and the actions undertaken by relevant institutions of the international climate regime and beyond;

(b) To be designed and implemented in a manner that [facilitates the active participation of all relevant stakeholders and] takes into account sustainable development, gender, global action, nationally determined needs of countries, the special circumstances of the least developed countries [and small island developing States], and the enhancement of indigenous capacities and endogenous technologies in developing countries;

(c) To be results-oriented in terms of output, outcome and impact;

(d) To [deliver][support the delivery of] transformational changes towards a climate-resilient and low greenhouse gas emission society as envisioned in the Paris Agreement;

(e) To be designed and implemented in a manner that enhances the transparency of results, costs and the process, such as planning, resource management and reporting of activities and support.

### **III. Key themes**

4. The key themes for the technology framework are focused areas of action to be undertaken within this framework. The initial key themes for the technology framework are:

(a) Innovation;

(b) Implementation;

(c) Enabling environment and capacity-building;

(d) Collaboration and stakeholder engagement;

(e) Support.

5. For each key theme, specific actions and the role of the Technology Mechanism have been identified and elaborated below.

#### **A. Innovation**

##### ***[Context]***

6. As stipulated in Article 10, paragraph 5, of the Paris Agreement, accelerating, encouraging and enabling innovation is critical for an effective, long-term global response to climate change and promoting economic growth and sustainable development. To achieve the [goals][aims][objective] of the Paris Agreement, there is a pressing need to accelerate and strengthen technological innovation so that it can deliver environmentally and socially sound, cost-effective and better-performing climate technologies on a larger and more widespread scale.

7. [Actions][Activities] under this key theme should therefore accelerate and scale up innovation at different stages of the technology cycle, addressing both adaptation and mitigation in a balanced manner to help countries to build resilience and reduce their emissions, and be undertaken in a manner that enhances the effective participation of developing country Parties [in collaborative research, development and demonstration], fosters sustainable development and ensures gender responsiveness.

8. Fostering innovation could be done through new collaborative approaches for climate technology research, development and demonstration (RD&D); [creation and promotion of relevant policy and finance to incentivize and nurture a supportive environment for innovation;] and productive engagement of the private sector and closer collaboration between the public and private sector.

##### ***[Actions]***

## **1. [Collaborative research, development and demonstration]**

9. [Actions][Activities] in this area of work could include:

(a) Provision of [comprehensive] information on the current and future activities of international technology RD&D partnerships and initiatives to inform and help link countries with these initiatives;

(b) Promotion of collaboration with international technology RD&D partnerships and initiatives to stimulate RD&D of climate technologies, [as well as sharing information in this regard];

*Alternative text merging paragraph 9(a) and 9(b):*

Promotion of collaboration with international technology RD&D partnerships and initiatives to stimulate RD&D of climate technologies, including through the provision of relevant information to help countries link with these initiatives;

(c) [Provision of technical support to countries to initiate joint RD&D activities on climate technologies;]

(d) Promotion of the development, deployment and dissemination of existing innovative technologies.

10. [The TEC leads the actions referred to in paragraph 9(a) above, and the CTCN leads the actions referred to in paragraph 9(b) and (c) above.]

### **[1bis. Increasing the effective participation of developing country Parties in collaborative research, development and demonstration]**

10bis. Actions in this area of work could include:

(a) Enhancement of the linkage between the Financial Mechanism and the Technology Mechanism with regard to the support for implementation of collaborative RD&D in developing country Parties;

(b) Promotion of financial resources for innovation in developing country Parties;

(c) Development of innovative means and supports of engaging developing country Parties in innovation;

(d) Other possible ways to increase the effective participation of developing country Parties in collaborative RD&D.

10ter. {placeholder for the role of the Technology Mechanism and other stakeholders, as appropriate and where relevant}

*{Sub-section 2 below including paragraphs 11 and 12 was proposed to be moved to before sub-section 1 on Collaborative RD&D}*

## **2. [Promotion of enabling policy and finance for innovation]**

11. [Actions][Activities] in this area of work could include:

(a) Supporting countries in improving their policy environments, strategies, legal and regulatory frameworks and institutional arrangements, [for incentivizing innovation, including by promoting] and strengthening their national systems of innovation;

(b) [Sharing information, good practices and lessons learned from countries' climate technology RD&D policies and activities;

(c) Accelerating the scale-up and diffusion of promising technologies;

(d) Identifying and promoting innovative finance and investment [at all stages of the technology cycle];

(e) Supporting countries in the development of long-term technological transition pathways towards the widespread uptake of climate technologies, in the context of climate resilience and low greenhouse gas emission development.

12. [The TEC leads the actions referred to in paragraph 11(b) above. {placeholder for 11(a), 11(c), 11(d) for the role of the Technology Mechanism and other stakeholders, as appropriate and where relevant}]

### **3. [Engagement of private sector and public-private partnerships]**

13. [Actions][Activities] in this area of work could include:

(a) Promotion of private sector engagement in the development of new climate technologies, including the identification of ways to incentivize their participation:

(i) By raising awareness of future market opportunities in [innovation-led transformation] [climate technology innovation];

(ii) In the development of innovative climate technologies, including the identification of ways to incentivize their participation;

(b) Effective use of the CTCN Network, including the national designated entities (NDEs), to facilitate the engagement of the private sector and [academic and] research institutions and to strengthen partnerships between the public and private sector.

14. [The CTCN leads the actions referred to in paragraph 13(b) above. {placeholder for 13(a) for the role of the Technology Mechanism and other stakeholders, as appropriate and where relevant}]

## **B. Implementation**

### ***[Context]***

15. The Paris Agreement highlights the importance of technology for the implementation of mitigation and adaptation actions under the Agreement. The Technology Mechanism should facilitate [and [strengthen the transition] [promote enhanced action] to help countries][this by helping countries] to achieve the aim of the Paris Agreement, especially [by] recognizing the importance of rapidly accelerating the [transformational changes to] shift towards climate resilience and low greenhouse gas emission development.

16. [Actions][Activities] under this key theme should facilitate the implementation of collaborative technology development and transfer, building on the past and ongoing work of the Technology Mechanism and taking into account [the specific needs and special circumstances of [developing] countries, particularly [developing countries] the least developed countries and small island developing States][country-driven strategies], and the role of North-South, South-South, triangular and regional collaboration in facilitating implementation. [The provision of information regarding actions under this key theme may be useful to the global stocktake referred to in Article 14 of the Paris Agreement.]

17. [Actions][Activities] under this key theme should facilitate the implementation of the mitigation and adaptation actions identified using planning tools and processes such as nationally determined contributions, long-term low greenhouse gas emission development strategies, technology needs assessments (TNAs), national adaptation plans, technology road maps and other relevant policies, as appropriate. [Further, countries need to be made aware of barriers that they may encounter during the implementation of their contributions and be supported in addressing these barriers.] In addition, the successful implementation of mitigation and adaptation actions would require [mature][scalable and market-ready][tested, safe and socially accepted] technologies[, including endogenous technologies], and private sector engagement may help to accelerate this process.

### ***[Actions]***

#### **1. [Technology needs assessments]**

18. [Actions][Activities] in this area of work could include:



(a) Facilitation of the undertaking and updating of TNAs and enhancing the implementation of their results, particularly technology action plans and project ideas, and capacity-building related to TNAs;

(b) Provision of enhanced technical support and facilitation of financial support for the implementation of the results of TNAs;

(c) Promotion of linking or aligning TNAs with nationally determined contributions and national adaptation plans[ and adaptation communications, as applicable,] to facilitate coherence between the implementation of these national plans and strategies to achieve climate-resilient and low-emission development;

(d) [Review of the TNA guidelines and [update if necessary to align them with the Paris Agreement][enhance them to align the planning and implementation of the transformational changes envisioned in the Agreement].]

19. [{placeholder for the role of the Technology Mechanism and other stakeholders, as appropriate and where relevant}.]

*{Sub-section 1bis below including paragraph 19bis was proposed to be merged into paragraph 18(d)}*

#### **1bis. Assessment of technologies that are ready to transfer**

19bis. Actions in this area of work could include:

(a) Development of methodology to define technologies that are ready to transfer;

(b) Identification of technologies that are ready to transfer;

(c) Establishment of an online platform to serve as the clearing house for transferable technologies;

(d) Development of a draft workplan to promote the transfer of technologies identified as ready to transfer.

## **2. [Addressing barriers to implementation]**

*{Option 1: Sub-paragraphs 20(a) and 20(b) were proposed to be merged into paragraph 18(b)}*

*Option 2: Sub-paragraphs 20(a) and 20(b) were proposed to be moved as sub-paragraphs in paragraph 28}*

20. [Actions][Activities] in this area of work could include:

(a) Identification of and recommendations for addressing financial, technical and capacity barriers;

(b) Consideration of social appropriateness and cultural barriers to implementation that may be specific to certain countries.

21. [{placeholder for the role of the Technology Mechanism and other stakeholders, as appropriate and where relevant}.]

*{Sub-section 3 below including paragraphs 22 and 23 was proposed to be moved to section D}*

## **3. [Private sector engagement] move to section collaboration and stakeholder engagement**

22. [Actions][Activities] in this area of work could include:

(a) Enhancement of partnerships between the public and private sector;

(b) Promotion of private sector engagement, [particularly in developing countries].

23. [{placeholder for the role of the Technology Mechanism and other stakeholders, as appropriate and where relevant}.]

## C. Enabling environment and capacity-building

### *[Context]*

24. [In the context of technology development and transfer, countries may face challenges in, for example, economic and financial aspects, market conditions, legal and regulatory frameworks, network structures, institutional and organizational capacity, and human resource capacities, as well as social, cultural and behavioural aspects. The special needs of developing country Parties in overcoming such challenges need to be considered and supported.]

26. [Creating] and enhancing an enabling environment should take into consideration various elements[, including what challenges need to be addressed, what should be undertaken and who should be enabled].

*Alternative text merging paragraph 24 and 26:*

Creating and enhancing enabling environments should consider various challenges in the development and transfer of socially and environmentally sound technologies faced by countries, and the different needs of the countries in overcoming such challenges.

*{Paragraph 25 was proposed to be moved after paragraph 27. Original numbering is currently maintained and will be revised at later stage}*

27. Capacity-building for technology development and transfer is a cross-cutting and comprehensive issue. Although initiatives and activities on capacity-building for technology development and transfer are already being undertaken, further [measures][activities] in this area [are needed] [can help] to develop, strengthen and enhance countries' capabilities to take effective climate action [[in the context of] the Paris Agreement].

25. [Actions][Activities] under this key theme should foster the creation and enhancement of an enabling environment and strengthen the capacity of countries to effectively address such challenges.

### *[Actions]*

#### 1. [Enabling environment]

28. [Actions][Activities] in this area of work could include:

(a) Enhancement of public awareness of the issues of technology development and transfer in relation to climate change;

(b) Facilitation of information sharing and networking among relevant organizations and institutions to create synergies and to enable the exchange of best practices, experience and knowledge on technology development and transfer among relevant players;

(c) Promotion of an investment-friendly environment, including national strategies and action plans, policy environment, legal and regulatory frameworks and institutional arrangements;

(d) [Option 1: Enabling access to climate technologies in the private sector through incentives for technology providers [and through public financial resources];

Option 2: Enabling the private sector access to climate technologies through incentives for technology providers and through public financial resources;]

*{Sub-paragraph 28(e) was proposed to be moved in the context part above.}*

(e) [Strengthening of the enabling policy and regulatory environment [and cooperative actions] for technology development and transfer[ to climate-resilient and low-emission development];]

(f) [Promotion of endogenous technologies to help mitigation and adaptation actions;]

(g) [Development of guidance on how to improve the economic prospects of climate-resilient and low-emission technologies through market [and non-market] conditions, including regulatory and fiscal measures.]

29. [{placeholder for the role of the Technology Mechanism and other stakeholders, as appropriate and where relevant}.]

## 2. [Capacity-building]

30. [Actions][Activities] in this area of work could include:

(a) Formulation and analysis of information on capacity-building activities at different stages of the technology cycle;

(b) Enhanced collaboration with existing capacity-building organizations and institutions playing an intermediary role to form a linkage between recipients and suppliers of capacity-building support;

(c) Development and enhancement of endogenous capacities for climate-related technologies and harnessing indigenous knowledge;

(d) [Coordination and collaboration with [the Paris Committee on Capacity-building] [existing capacity-building organizations and institutions] [to create synergies] [in a manner that enhances efficiency] and avoid duplication of work;]

*Alternative text merging (b) and (d)*

Enhanced collaboration with existing capacity-building organizations and institutions, including those under the Convention, to create synergies in a manner that enhances efficiency and avoids duplication of work;

(e) Enhancement of the capacity of NDEs [, especially those in developing countries][to fulfil their roles];

(f) [Development and enhancement of the capacities and tools to ensure that countries can plan, monitor and achieve technological transformation in accordance with the long-term objectives of the Paris Agreement.]

31. [The TEC leads the actions referred to in paragraph 30(a) above, and the CTCN leads the actions referred to in paragraph 30(b) above. The TEC and the CTCN jointly undertake the actions referred to in paragraph 30(d) above. {placeholder for paragraph 30(c), 30(e) for the role of the Technology Mechanism and other stakeholders, as appropriate and where relevant}.]

## D. Collaboration and stakeholder engagement

### *[Context]*

32. Collaboration with and engagement of stakeholders will enhance interaction between those involved in the development and transfer of climate technology [and help bridge knowledge and financial gaps between developed and developing countries and among developing countries]. In this context, stakeholders will provide important inputs to the work of the Technology Mechanism.

33. Therefore, the Technology Mechanism [shall][should][is to] work in an open and inclusive, including gender-inclusive, manner in which stakeholders are invited to participate and actively engage. Collaboration with and engagement of stakeholders should take place at different stages of the technology cycle.

34. Enhanced engagement of stakeholders[, in particular the private sector,] at the local, regional, national and global level will be beneficial for the Technology Mechanism. Further, activities for cooperation on technology development and transfer across relevant organizations, institutions and initiatives should be harmonized and synergized to avoid duplication and ensure consistency and coherence.

*{Paragraphs which contain actions/activities related to support were proposed to be moved to section E}*

**[Actions]**

**1. [Engagement with key stakeholders]**

35. [Actions][Activities] in this area of work could include:

(a) Enhanced engagement with local communities and authorities, national planners, the private sector and civil society organizations;

(b) *Option 1:* Enhanced Support for NDEs, in particular NDEs of developing countries, to establish links with relevant stakeholders;

*Option 2:* Encouragement of NDEs to establish links with relevant stakeholders;

(c) [Enhanced][Promotion of][Encouraged][Increased] involvement and participation of relevant stakeholders in the planning and implementation of Technology Mechanism activities to leverage their specific expertise, knowledge and experience;

(d) *Option 1:* Enhanced provision or mobilization of support by developed countries [and others] to ensure collaboration and engagement of stakeholders;

*Option 2:* Enhanced collaboration with and engagement of stakeholders should be supported in accordance with Article 10, paragraphs 4, 5 and 6, of the Paris Agreement.

36. [The CTCN leads the actions referred to in paragraph 35(b) above. The TEC and the CTCN jointly undertake the actions referred to in paragraph 35(c) above. {placeholder for paragraph 35(a) for the role of the Technology Mechanism and other stakeholders, as appropriate and where relevant}.]

**2. [Collaboration with other organizations, institutions and initiatives]**

37. [Actions][Activities] in this area of work could include:

(a) [Enhanced] collaboration and synergy with [other][relevant] international organizations, institutions and initiatives, including academia and the scientific community, to leverage relevant knowledge and information, particularly on future technological solutions and transformational technologies needed;

(b) [Enhanced] collaboration with the private sector and strengthened partnerships between the public and private sector.

38. [The TEC and the CTCN jointly undertake the actions referred to in paragraph 37(a) above. {placeholder for paragraph 37(b) for the role of the Technology Mechanism and other stakeholders, as appropriate and where relevant}.]

**E. Support**

*{Some paragraphs in this section may need to be adjusted taking into consideration that this framework provides guidance for the Technology Mechanism.}*

**[Context]**

39. Article 10, paragraph 6, of the Paris Agreement provides that support, including financial support, shall be provided to developing country Parties for the implementation of that Article, including for strengthening cooperative action on technology development and transfer at different stages of the technology cycle, with a view to achieving a balance between support for mitigation and adaptation.

40. *Option 1:* The understanding of support under this key theme is broader than just financial support, as it may include all aspects of support to implement Article 10 of the Paris Agreement. The support should be new and additional, adequate and predictable in a transparent manner and provided for all the key themes of the technology framework, taking

into account national circumstances, the gender perspective and endogenous and indigenous aspects.

*Option 2:* Support under this key theme may include all aspects of support to implement [Article 10 of the Paris Agreement][the technology framework], taking into account [the needs and priorities of Parties][national circumstances, the gender perspective and endogenous and indigenous aspects].

41. [The provision and mobilization of various types of support corresponding to the different needs of countries, taking into account the specific needs and special circumstances of [countries, particularly] the least developed countries and small island developing States, [are crucial to implementing Article 10 of the Paris Agreement] [can enhance cooperative action on technology development and transfer].]

42. [Further, cooperative action on technology development and transfer can be [stimulated][enhanced] by systematic monitoring and evaluation of the support and provision of relevant information.] [In this context, the provision of information regarding actions under this key theme may be useful to inform other processes under the Paris Agreement, such as the transparency framework referred to in Article 13 and the global stocktake referred to in Article 14.]

### **[Actions]**

#### **1. [Provision of support]**

43. [Actions][Activities] in this area of work could include:

(a) *Option 1:* [Enhancement of the] [Development of clear] linkages between the Technology Mechanism and the Financial Mechanism for enhanced financial support for technology development and transfer, including synergistic collaboration on developing planning tools for the elaboration of long-term technology strategies;

*Option 2:* {Placeholder for the outcome of the deliberation on the COP agenda item on linkages between the Technology Mechanism and the Financial Mechanism of the Convention}

(b) [Development and dissemination of innovative means of engaging the private sector in technology development and transfer to promote private sector investment;]

(c) Enhancing the mobilization of [support, including] pro bono and in-kind support, from various sources for the support activities of the Technology Mechanism [in a systematic manner];

(d) *Option 1:* [Provision of enhanced] [Enhancing the mobilization of] financial and technical support for developing and implementing the results of TNAs, including technology action plans, in a country-driven manner, and/or other planning exercises compatible with the achievement of the transformative vision and ambitious targets of the Paris Agreement;

*Option 2:* Provision of enhanced financial and technical support activities, particularly the implementation of the results of TNAs, under all key themes;

(e) [Provision of capacity-building support and organizational and institutional support;]

(f) [Development of innovative means of and support for engaging developing country Parties in innovation;]

(g) [Provision of enhanced financial and technical support for enabling environments and capacity-building to developing country Parties in a country-driven manner;]

(h) [Development of innovative means of and support for engaging developing country Parties in collaboration;]

(i) [Provision of support to enable the Technology Mechanism to assess the impacts of its actions.]

44. [{placeholder for the role of the Technology Mechanism and other stakeholders, as appropriate and where relevant}.]

## **2. [Monitoring and provision of the information on support]**

45. [[Actions][Activities] in this area of work could include:

(a) [Development of systematic monitoring and evaluation methodology on support provided for technology development and transfer[, taking into account possible links with the periodic assessment of the Technology Mechanism in supporting the implementation of the Paris Agreement, with a view to achieving the targets and transformational vision of the Paris Agreement];]

(b) Preparation of information on efforts related to support for technology development and transfer for developing country Parties for the global stocktake.]

46. [The TEC and the CTCN jointly undertake the actions referred to in paragraph 45(b) above[, ensuring they procure the necessary resources to perform the tasks in a manner commensurate with the ambition of the Paris Agreement or notify the COP if such resources are not obtained in a timely manner]. {placeholder for paragraph 45(a) for the role of the Technology Mechanism and other stakeholders, as appropriate and where relevant}.]

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Ad Hoc Working Group on the Paris Agreement

09 September 2018

Sixth part of the first session  
Bangkok, 4–9 September 2018

## **Revised additional tool under item 5 of the agenda**

### **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**

*Revised final iteration 09/09/2018 @ 12:30 hrs*

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. Further, it is also noted that a lack of brackets does not indicate agreement.

# Contents

<b>COP Decision .....</b>	<b>5</b>
<b>CMA Decision .....</b>	<b>6</b>
<b>A. Overarching considerations and guiding principles .....</b>	<b>7</b>
<b>PART I .....</b>	<b>7</b>
A.1.1 Objectives .....	7
A.1.2 Guiding principles .....	8
A.1.3 Structure/design of the MPGs .....	9
A.1.4 Flexibility to those developing country Parties that need it in the light of their capacities .....	9
A.1.5 Facilitating improved reporting and transparency over time .....	10
<b>PART II .....</b>	<b>10</b>
A.2.1 Interlinkages with other transparency related items .....	10
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 .....	11
A.2.3 Flexibility to those developing countries that need it in the light of their capacities .....	11
A.2.4 Facilitating improved reporting and transparency over time .....	12
A.2.5 Avoiding duplication as well as undue burden on Parties and the secretariat .....	13
<b>B. National inventory report on anthropogenic emissions by sources and removals by sinks of greenhouse gases .....</b>	<b>13</b>
B.1 Objectives and principles .....	13
B.2 Definitions .....	14
B.3 National circumstances and institutional arrangements (inventory planning, preparation and management) .....	15
B.4 Methods .....	16
B.5 Metrics .....	20
B.6 Reporting guidance .....	20
B.7 Constraints and capacity-building needs .....	23
B.8 [Improvement plan][Future areas of improvement] .....	23
B.9 Submission process, frequency, and reporting formats and tables .....	24
<b>C. Information necessary to track progress made in implementing and achieving its nationally determined contribution under Article 4 of the Paris Agreement .....</b>	<b>25</b>
C.1 Objectives and principles .....	26
C.2 National circumstances and institutional arrangements .....	27
C.3 Description of a Party's NDC under Article 4, including updates .....	28
C.4 Information necessary to track progress made in implementing its nationally determined contribution under Article 4 to date .....	29
C.5 Information on achievement of the Party's NDC under Article 4 for the target year/period .....	33
C.6 Mitigation policies and measures, actions, and plans, including those with mitigation co-benefits resulting from adaptation actions, related to the implementation and achievement of an NDC under Article 4 .....	35
C.7 Summary of greenhouse gas emissions and removals .....	38
C.8 Projections of greenhouse gas emissions and removals, as applicable .....	38
C.9 Information on the Party's accounting under Article 4, paragraphs 13 and 14 .....	39
C.10 Information related to Article 6, as applicable .....	39
C.11 [Other information, where applicable and appropriate] .....	41



C.12 Capacity-building needs .....	41
C.13 [Improvement plan][Future areas of improvement] .....	41
C.14 Reporting format .....	41
<b>D. Information related to climate change impacts and adaptation under Article 7 of the Paris Agreement, as appropriate .....</b>	<b>42</b>
D.1 Objectives and principles.....	42
D.2 National circumstances and institutional arrangements .....	44
D.3 Vulnerabilities, risks and impacts, and methodologies used .....	44
D.4 Adaptation policies, strategies, plans and actions and efforts to integrate adaptation into national policies and strategies .....	44
D.5 Progress on implementation of adaptation .....	45
D.6 Monitoring and evaluation of adaptation actions and processes .....	45
D.7 Information related to loss and damage .....	46
D.8 Adaptation priorities and barriers .....	47
D.9 Cooperation, good practices, experiences, and lessons learned .....	47
D.10 Effectiveness and sustainability of adaptation action .....	48
D.11 Recognition of adaptation efforts .....	48
D.12 Reporting formats .....	49
<b>E. Information on financial, technology development and transfer and capacity-building support provided and mobilized under Articles 9–11 of the Paris Agreement .....</b>	<b>50</b>
E.1 Objectives and principles .....	50
E.2 National circumstances, institutional arrangements and country-driven strategies .....	52
E.3 Underlying assumptions, definitions, and methodologies .....	52
E.4 Information on financial support provided and mobilized under Article 9.....	52
E.5 Information on technology development and transfer support provided under Article 10 .....	53
E.6 Information on capacity-building support provided under Article 11 .....	54
E.7 [Improvement plan][Future areas of improvement] .....	55
E.8 Reporting format .....	55
<b>F. Information on financial, technology transfer and capacity-building support needed and received under Articles 9–11 of the Paris Agreement .....</b>	<b>56</b>
F.1 Objectives and principles .....	56
F.2 National circumstances, institutional arrangements and country-driven strategies .....	57
F.3 Underlying assumptions, definitions, and methodologies .....	57
F.4 Information on financial support needed by developing country Parties under Article 9 .....	58
F.5 Information on financial support received by developing country Parties under Article 9.....	59
F.6 Information on technology development and transfer support needed by developing country Parties under Article 10 ..	60
F.7 Information on technology development and transfer support received by developing country Parties under Article 10	61
F.8 Information on capacity-building support needed by developing country Parties under Article 11 .....	61
F.9 Information on capacity-building support received by developing country Parties under Article 11 .....	62
F.10 Information on support needed and received by developing country Parties for implementation of Article 13 and transparency related activities, including for transparency-related capacity-building .....	63
F.11 [Improvement plan][Future areas of improvement] .....	63
F.12 Reporting format .....	63
<b>G. Technical expert review .....</b>	<b>63</b>
G.1 Objectives .....	64

G.2 Principles .....	64
G.3 Scope .....	65
G.4 Information to be reviewed .....	66
G.5 Format and steps, including those related to specific types of information reported under Article 13, and the role of Parties, and the roles and responsibilities of the technical expert review team and the secretariat .....	66
G.6 Technical expert review team and institutional arrangements .....	70
G.7 Frequency and timing .....	71
G.8 Technical expert review report .....	71
<b>H. Facilitative, multilateral consideration of progress .....</b>	<b>72</b>
H.1 Objectives .....	72
H.2 Scope .....	73
H.3 Information to be considered .....	73
H.4 Format and steps, including events to be convened, the roles of Parties and the secretariat .....	73
H.5 Frequency and timing .....	74
H.6 Summary report content and format .....	75

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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 the reporting of information that demonstrate] that double counting is avoided;
  - g. [Ensure][facilitate the reporting of information that ensure] 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 the reporting of information that demonstrate] that double counting is avoided;
- h. [Ensure][facilitate the reporting of information that ensure] 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.

]

]

## **B. National inventory report on anthropogenic emissions by sources and removals by sinks of greenhouse gases**

[

**[Option 1:** All Parties continue with current UNFCCC monitoring, reporting and verification (MRV) requirements to fulfill Article 13 obligations.]

**[Option 2:** All Parties continue with current UNFCCC MRV requirements as a starting point, and move to option 4 below at a later point in time.]

**[Option 3:** Those provisions in option 4 below that apply to “developed country Parties” and “developing country Parties” should be placed under separate headings within separate documents. Further, certain provisions in option 4 that apply to each Party will be placed under both sections.]

**[Option 4:**

### **B.1. Objectives and principles**

**[Option 1.1:** Objectives and principles to be covered in an overarching section of the MPGs.]

**[Option 1.2:**

**[Objectives]**

**[Option 1.2.1.1:** No objectives section necessary in the MPGs.]

**[Option 1.2.1.2:** **[Article 13.5]**

1. 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.]

**[Option 1.2.1.3:**

1. 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. The objectives of these MPGs for preparing a national inventory report of anthropogenic emissions by sources and removals by sinks of greenhouse gas emissions are to:
  - a. Assist Parties in meeting their commitments under Article 13.7(a) and applicable paragraphs of decision 1/CP.21;
  - b. [For developed country Parties] Provide a clear understanding of GHG emission levels and trends, underlying data, methodologies and good practices applied [and information on climate change actions, including mitigation and adaptation and social and economic consequences of these actions];
  - c. Assist Parties in ensuring and improving the quality, coverage and transparency of their national inventory report over time[, contingent on the availability of support for developing country parties,] and mindful of domestic constraints, national circumstances, and other issues;
  - d. Promote national inventory reports that are transparent, accurate, complete, consistent and comparable;
  - e. Facilitate technical expert review and facilitative, multilateral consideration of progress, consistent with Article 13, paragraphs 11 and 12 of the Paris Agreement;
  - f. [Assist Parties in tracking progress made in implementing and achieving Parties' individual NDCs under Article. 4 of the Paris Agreement;]
  - g. Serve as input to the global stocktake under Article 14 of the Paris Agreement to facilitate the assessment of collective progress towards achieving the purpose and long-term goal of the Paris Agreement;
  - h. [Facilitate the identification and prioritization of domestic mitigation measures.]]

**[Principles]**

**[Option 1.2.2.1:** No principles section is necessary in the MPGs.]

**[Option 1.2.2.2:**

3. The principles guiding these MPGs for preparing a national inventory report of anthropogenic emissions by sources and removals by sinks of greenhouse gas emissions are to:
  - a. Provide flexibility to those developing country Parties that need it in the light of their capacities;
  - b. Avoid duplication of reporting as well as undue burden on Parties and the secretariat;
  - c. Ensure environmental integrity and avoidance of double counting.]

**B.2. Definitions**

**[Option 2.1:** No definitions section is necessary in the MPGs.]

**[Option 2.2:**

**[Definitions as provided in the IPCC Guidelines]**

1. **[Option 2.2.1:** Definitions of the terms used shall be as provided in the [IPCC Guidelines identified in B.4.a] and any supplementary guidance provided by IPCC for GHG inventories and agreed upon by the CMA.]

**[Option 2.2.2:** Definitions of the terms used shall be as provided in the [IPCC Guidelines identified in B.4.a] and any supplementary guidance provided by IPCC for GHG inventories and agreed upon by the CMA, except that developing country Parties may use definitions provided in older sets of IPCC guidelines.]

**[Defining TACCC]**

2. The principles of transparency, accuracy, completeness, consistency, and comparability shall be defined as follows:

- a. Transparency: data sources, assumptions and methodologies used for an inventory should be clearly explained, in order to facilitate the replication and assessment of the inventory by users of the reported information;
- b. Accuracy: emission and removal estimates should be accurate in the sense that they are systematically neither over nor under true emissions or removals, as far as can be judged, and that uncertainties are reduced as far as practicable;
- c. Completeness: coverage of all sources and sinks, as well as all gases, which occur in a country and for which methodologies are provided in [IPCC Guidelines identified in B.4.a] for the full geographic coverage of the country;
- d. Consistency: inventory should be internally consistent in all its elements over a period of years. An inventory is consistent if the same methodologies are used for the base year and all subsequent years and if consistent data sets are used;
- e. Comparability: estimates of emissions and removals reported by countries in inventories should be comparable among countries. Countries should use agreed methodologies and formats for estimating and reporting inventories.]

### **B.3. National circumstances and institutional arrangements (inventory planning, preparation and management)**

[**Option 3.1:** One section on national circumstances and institutional arrangements that applies to the MPGs as a whole.]

[**Option 3.2:**

*[Requirements for institutional arrangements]*

[**Option 3.2.1:**

1. Each Party [shall][should] establish and maintain national inventory arrangements, including institutional, legal and procedural arrangements for the continued estimation, compilation and timely reporting of national GHG inventory reports in accordance with the reporting provisions defined in these modalities, procedures, and guidelines. National inventory arrangements for each Party can vary depending on national circumstances and preferences, and change over time.
2. Each Party [should] implement the following functions relating to inventory planning, preparation and management:
  - a. Designate a single national entity/national focal point with overall responsibility for the national inventory;
  - b. Plan, establish and maintain the inventory preparation process, including division of specific responsibilities of institutions participating in the inventory preparation to ensure that sufficient activity data collection, choice/development of methods, emission factors and other parameters are in accordance with the IPCC and reporting guidelines;
  - c. Prepare emission and removal estimates and document them transparently, in accordance with the latest IPCC guidelines and reporting guidelines;
  - d. Perform recalculations, in accordance with the IPCC and reporting guidelines, where needed;
  - e. Perform uncertainty assessment and key category analysis and use them in identifying needs for inventory improvements and their prioritization;
  - f. Elaborate an inventory QA/QC plan and implement QA/QC measures;
  - g. Prepare national annual GHG inventories by compiling the NIR and common tabular format/CRF, and establish a process for the inventory consideration and approval/submission;
  - h. [Archive all information for the reported time series, including all disaggregated emission factors and activity data, and all documentation about generating and aggregating data, including QA/QC. Archive review results and planned inventory improvements;]
  - i. Provide technical expert review teams with timely access to all archived information used to prepare the inventory;
  - j. Establish processes for the official consideration and approval of the inventory;
  - k. Facilitate the conduct of the technical expert review process of the national inventory and participation in the FMCP;
  - l. Prepare improvement plans to respond to recommendations from the technical expert review process and strengthen the institutional arrangements.

### **[Option 3.2.2:**

1. Developed country Parties [shall] follow the requirements related to national inventory arrangements established in decision 24/CP.19. [Developing country Parties] [Those developing country Parties that need flexibility in the light of their capacities] [are encouraged to] follow the requirements related to national inventory arrangements established in decision 24/CP.19.]

#### **[Reporting on institutional arrangements]**

3. Each Party [shall] provide [summary] information on national inventory arrangements, including those for collecting and archiving data and for mitigation actions that inform the GHG inventory, in the first national inventory report under the Paris Agreement, and report any changes to those national inventory arrangements in subsequent reports, as well as efforts to make this a continuous process, including information on the role of the institutions involved.

### **B.4. Methods:**

#### **a. Methodologies, parameters and data**

#### **[Use of IPCC guidelines]**

1. **[Option 4.1.1.1:** Each Party [shall][should] use the [2006 IPCC Guidelines][the most recent IPCC Guidelines agreed upon by CMA] and any supplementary/further methodological guidance from the IPCC, including the 2013 supplements and any additional refinements, as agreed upon by the CMA]

**[Option 4.1.1.2:** Each Party [shall][should] use the [2006 IPCC Guidelines][the most recent IPCC Guidelines agreed upon by CMA] and any supplementary/further methodological guidance from the IPCC, including the 2013 supplements, as agreed upon by the CMA, except those developing country Parties that need flexibility in the light of their capacities that [may] use the older sets of IPCC guidelines (e.g. Revised 1996 IPCC Guidelines in conjunction with IPCC GPG, IPCC LULUCF GPG), [recognizing the important role of capacity-building initiatives such as CBIT and the CGE in developing country Parties in transitioning to the use of the [2006 IPCC Guidelines][the most recent IPCC Guidelines agreed upon by CMA]]. Those developing country Parties that need flexibility in the light of their capacities [are encouraged] to apply the [2006 IPCC Guidelines][the most recent IPCC Guidelines agreed upon by CMA] to the extent possible to improve their GHG inventories over time, in accordance with national capacities [and [shall] provide information on the barriers and constraints in fully using the [2006 IPCC Guidelines][the most recent IPCC Guidelines agreed upon by CMA] and a timeline for the future application in the improvement plan].]

**[Option 4.1.1.3:** Developed country Parties [shall][may] use the [2006 IPCC Guidelines][the most recent IPCC Guidelines agreed upon by CMA] and any supplementary/further methodological guidance from the IPCC, including the 2013 supplements, as agreed upon by the CMA. Developing country Parties [are [strongly] encouraged] to use the [2006 IPCC Guidelines][the most recent IPCC Guidelines agreed upon by CMA] and any supplementary/further methodological guidance from the IPCC, including the 2013 supplements, as agreed upon by the CMA[, taking into account capacity-building needs]. [If a developing country Party is not using the [2006 IPCC Guidelines][the most recent IPCC Guidelines agreed upon by CMA], it [shall] [may] provide information on the barriers and constraints in fully using the [2006 IPCC Guidelines][the most recent IPCC Guidelines agreed upon by CMA] and include a timeline for the future application in the improvement plan].]

#### **[Methodological choice]**

2. **[Option 4.1.2.1:** Each Party [shall] use methods (tiers) contained in the [2006 IPCC Guidelines][the most recent IPCC Guidelines agreed upon by CMA] and [may] use national methodologies which could reflect better the national situation, and produce the most accurate estimates.]

**[Option 4.1.2.2:** Each Party [shall] use methods (tiers) contained in the [2006 IPCC Guidelines][the most recent IPCC Guidelines agreed upon by CMA] and [may] use national methodologies which could reflect better the national situation, and produce the most accurate estimates, except those developing country Parties that need flexibility in the light of their capacities that [may] apply a lower tier approach (methodological tier in the [2006 IPCC Guidelines][the most recent IPCC Guidelines agreed upon by CMA]) for key categories, if justified due to limitations of time and data availability. [In those cases, where national circumstances prohibit use of a recommended method, those developing country Parties that need flexibility in the light of their capacities [shall][should][provide explanations][clearly document] in the national inventory report, and identify the gap as part of reporting on constraints and inventory improvement planning[, as a priority for future improvements].]

**[Option 4.1.2.3:** Developed country Parties [shall] use methods (tiers) contained in the [2006 IPCC Guidelines][the most recent IPCC Guidelines agreed upon by CMA] and [may] use national methodologies which could reflect better the national

situation, and produce the most accurate estimates. Developing country Parties [are encouraged] to use methods (tiers) contained in the [2006 IPCC Guidelines][the most recent IPCC Guidelines agreed upon by CMA] and [may] use national methodologies which could reflect better the national situation, and produce the most accurate estimates. [In those cases, where national circumstances prohibit use of a recommended method, developing country Parties [may use the Revised 1996 IPCC Guidelines] [may][shall] provide explanations in the national inventory report, and identify the gap as part of reporting on constraints and inventory improvement planning.]]

3. **[Option 4.1.3.1:** Each Party [shall] use a recommended method (tier level) for key categories in accordance with the [2006 IPCC Guidelines][the most recent IPCC Guidelines agreed upon by CMA], including for refining estimates in the LULUCF sector, [and follow IPCC good practice guidance and other good practice guidance relevant to key categories].]

**[Option 4.1.3.2:** Developed country Parties [should] apply higher tier methods for key categories and for refining estimates in LULUCF sector.]

4. Each Party [may] use default emission factors and activity data in the absence of more robust methods and/or data, but is encouraged to use country-specific and regional emission factors and activity data, where available, [or, propose plans to develop them [in a scientifically sound and transparent manner] consistent with the [2006 IPCC Guidelines][the most recent IPCC Guidelines agreed upon by CMA]].
5. Each Party [shall][should] use alternative methods from the [2006 IPCC Guidelines][the most recent IPCC Guidelines agreed upon by CMA] to estimate the missing values, due to lack of activity data, emissions factors or other parameters, in order to ensure consistent time series.

**b. *Key category analysis***

1. **[Option 4.2.1.1:** Each Party [shall][should] identify key categories, using key category analysis consistent with [IPCC Guidelines identified in B.4.a] with and without Land Use, Land Use Change and Forestry (LULUCF) categories.]

**[Option 4.2.1.2:** Each Party [shall][should] identify key categories, using key category analysis consistent with the [IPCC Guidelines identified in B.4.a] with and without Land Use, Land Use Change and Forestry (LULUCF) categories. Those developing country Parties that need flexibility in the light of their capacities [may] use a [XX%] threshold for key category assessment, allowing a focus on improving a fewer categories and prioritizing resources.]

**[Option 4.2.1.3:** Developed country Parties [shall][should] identify key categories, using key category analysis consistent with the [IPCC Guidelines identified in B.4.a] with and without Land Use, Land Use Change and Forestry (LULUCF) categories. Developing country Parties [shall][should][may] undertake a key category analysis as indicated in the IPCC good practice guidance to assist in developing inventories that better reflect their national circumstances, and [are encouraged] to identify key categories, using key category analysis consistent with the [IPCC Guidelines identified in B.4.a] with and without Land Use, Land Use Change and Forestry (LULUCF) categories.]

2. **[Option 4.2.2.1:** Each Party [shall][should] identify key categories using approach 1, both level and trend assessments, including and excluding LULUCF, in accordance with the [IPCC Guidelines identified in B.4.a] and is encouraged to use approach 2.]

**[Option 4.2.2.2:** Developed country Parties [shall] identify key categories using approach 1, both level and trend assessments, including and excluding LULUCF, in accordance with the [IPCC Guidelines identified in B.4.a] and are encouraged to use approach 2. Developing country Parties [are encouraged] to identify key categories using approach 1, both level and trend assessments, including and excluding LULUCF, in accordance with the [IPCC Guidelines identified in B.4.a].]

**[Option 4.2.2.3:** Developed country Parties [should] identify key categories using approach 2, both level and trend assessments, including and excluding LULUCF, in accordance with the [IPCC Guidelines identified in B.4.a] and add additional key categories to the result of approach 1. Developing country Parties [are encouraged] to identify key categories using approach 2 both level and trend assessments, including and excluding LULUCF, in accordance with the [IPCC Guidelines identified in B.4.a] and add additional key categories to the result of approach 1.]

**c. *Time series consistency and recalculations***

**[Option 4.3.1:** Recalculation is not necessary in this section of the MPGs.]

**[Option 4.3.2:**

1. When performing recalculations, each Party [shall][should] use the same methods and a consistent approach to underlying activity data and emissions factors for each year reported.

2. **[Option 4.3.2.1.1:** Each Party [shall][should] perform recalculations in accordance with the [IPCC Guidelines identified in B.4.a], ensuring that changes in emission trends are not introduced as a result of changes in methods or assumptions across the time series.]

**[Option 4.3.2.1.2:** Developed country Parties [shall] perform recalculations in accordance with the [IPCC Guidelines identified in B.4.a], ensuring that changes in emission trends are not introduced as a result of changes in methods or assumptions across the time series. [Developing country Parties [are encouraged to] perform recalculations in accordance with the [IPCC Guidelines identified in B.4.a], ensuring that changes in emission trends are not introduced as a result of changes in methods or assumptions across the time series.]]

3. **[Option 4.3.2.2.1:** Each Party [shall] perform recalculations in a transparent manner, including when new information is introduced, to ensure consistency of time series and improve accuracy and/or completeness.]

**[Option 4.3.2.2.2:** Each Party [shall] perform recalculations in a transparent manner, including when new information [on methods, AD and EFs] is introduced, to ensure consistency of time series and improve accuracy and/or completeness, except those developing country Parties that need flexibility in the light of their capacities that [shall] perform recalculations for the base year or reference years of the NDC and the latest reported year due to capacity constraints and/or data availability [and [shall] provide explanations for which categories the IPCC guidance on recalculation of time series could not be implemented and with respect to recalculating estimates for years that are earlier than relevant base years for NDCs].]]

**d. Uncertainty assessment**

**[Option 4.4.1:** Uncertainty assessment is not necessary in this section of the MPGs.]

**[Option 4.4.2:**

1. **[Option 4.4.2.1.1:** Each Party [shall] quantitatively estimate the uncertainty for all relevant source and sink categories, GHGs, inventory totals and their trends, using the [IPCC Guidelines identified in B.4.a][for at least the base year and the latest inventory year].]

**[Option 4.4.2.1.2:** Each Party [shall] quantitatively estimate the uncertainty for all relevant source and sink categories, GHGs, inventory totals and their trends, using [IPCC Guidelines identified in B.4.a], except [those developing country Parties that need flexibility in the light of their capacities][developing country Parties] that [shall] provide a qualitative discussion of uncertainty for key categories and [are encouraged] to quantitatively estimate the uncertainty for all relevant source and sink categories, GHGs, inventory totals and their trends, using the [IPCC Guidelines identified in B.4.a].]

**[Option 4.4.2.1.3:** Developed country Parties [shall] quantitatively estimate the uncertainty for all relevant source and sink categories, GHGs, inventory totals and their trends, using the [IPCC Guidelines identified in B.4.a][for at least the base year and the latest inventory year]. [Developing country Parties [are encouraged] to quantitatively estimate the uncertainty for all relevant source and sink categories, GHGs, inventory totals and their trends, using the [IPCC Guidelines identified in B.4.a][for at least the base year and the latest inventory year].] [Developing country Parties [shall] provide information on the level of uncertainty associated with inventory data and their underlying assumptions, and describe the methodologies used, if any, for estimating these uncertainties.]]

2. **[Option 4.4.2.2.1:** Each Party [shall] elaborate/explain errors due to sampling methods, data entry, calculation, data formulation.]

**[Option 4.4.2.2.2:** Developed country Parties [shall] elaborate/explain errors due to sampling methods, data entry, calculation, data formulation. Developing country Parties [are encouraged] to elaborate/explain errors due to sampling methods, data entry, calculation, data formulation.]]

**e. Assessment of completeness**

**[Option 4.5.1:** Assessment of completeness is not necessary in this section of the MPGs.]

**[Option 4.5.2:**

1. **[Option 4.5.2.1.1:** Each Party [shall] indicate the parts of their geographical area covered and provide an explanation for any exclusion and clearly indicate the sources and sinks (categories, pools and gases), which are not considered in the inventories



but for which estimation methods are included in the [IPCC Guidelines identified in B.4.a] and explain the reasons for such exclusion.]

**[Option 4.5.2.1.2:** Developed country Parties [shall] indicate the parts of their geographical area covered and provide an explanation for any exclusion and clearly indicate the sources and sinks (categories, pools and gases), which are not considered in the inventories but for which estimation methods are included in the [IPCC Guidelines identified in B.4.a] and explain the reasons for such exclusion. Developing country Parties [shall] strive to present information which is as complete as possible and [are encouraged] to indicate the parts of their geographical area covered and provide an explanation for any exclusion and clearly indicate the sources and sinks (categories, pools and gases), which are not considered in the inventories but for which estimation methods are included in the [IPCC Guidelines identified in B.4.a] and explain the reasons for such exclusion.]

2. Each Party [shall] use notation keys [referred to below] for cells where numerical data are not available [, when completing common reporting tables indicating the reasons for data for specific sectors, categories, and subcategories or gases not being available][:]:
  - a. “NO” (not occurring) for categories or processes, including recovery, under a particular source or sink category that do not occur within a Party;
  - b. “NE” (not estimated) for AD and/or emissions by sources and removals by sinks of GHGs which have not been estimated but for which a corresponding activity may occur within a Party;
  - c. “NA” (not applicable) for activities under a given source/sink category that do occur within the Party but do not result in emissions or removals of a specific gas;
  - d. “IE” (included elsewhere) for emissions by sources and removals by sinks of GHGs estimated but included elsewhere in the inventory instead of under the expected source/sink category;
  - e. “C” (confidential) for emissions by sources and removals by sinks of GHGs of which the reporting could lead to the disclosure of confidential information.].
3. **[Option 4.5.2.2.1:** Each Party [may] use the notation key “NE” (not estimated) when [data is unavailable or] the estimates would be insignificant in terms of level and trend according to the defined thresholds [see Annex II (if needed)] and where a disproportionate amount of effort would be required to collect data for a gas from a specific activity.]

**[Option 4.5.2.2.2:** Each Party [should] be allowed to use the notation key “NE” (not estimated) when the estimates would be insignificant in terms of level and trend according to the defined thresholds [see Annex II (if needed)] and where a disproportionate amount of effort would be required to collect data for a gas from a specific activity. Those developing country Parties that need flexibility in the light of their capacities [may] use a [XX%] of national total GHG emissions excluding LULUCF as threshold for defining insignificant categories.]

4. **[Option 4.5.2.3.1:** Each Party [shall] report in subsequent submissions, emissions and removals estimated once for a category, if they continue to occur.]

**[Option 4.5.2.3.2:** Developed country Parties [shall] report in subsequent submissions, emissions and removals estimated once for a category, if they continue to occur. Developing country Parties [are encouraged] to report in subsequent submissions, emissions and removals estimated once for a category, if they continue to occur.])

*f. Quality assurance/quality control*

1. **[Option 4.6.1.1:** Each Party [shall] elaborate an inventory quality assurance/quality control (QA/QC) plan [in accordance with the [IPCC Guidelines identified in B.4.a]]; including information on the inventory agency responsible for conducting QA/QC.]

**[Option 4.6.1.2:** Developed country Parties [shall] elaborate an inventory quality assurance/quality control (QA/QC) plan [in accordance with the [IPCC Guidelines identified in B.4.a]]; including information on the inventory agency responsible for conducting QA/QC. [[Developing country Parties][Those developing country Parties that need flexibility in the light of their capacities] [are encouraged to] elaborate an inventory quality assurance/quality control (QA/QC) plan [in accordance with the [IPCC Guidelines identified in B.4.a]]; including information on the inventory agency responsible for conducting QA/QC.])

2. **[Option 4.6.2.1:** Each Party [shall] implement and give information on general inventory QC procedures and QA procedures (e.g. basic peer review) in accordance with its QA/QC plan and the [IPCC Guidelines identified in B.4.a].]

**[Option 4.6.2.2:** Developed country Parties [shall] implement and give information on general inventory QC procedures and QA procedures (e.g. basic peer review) in accordance with its QA/QC plan and the [IPCC Guidelines identified in B.4.a].]

Developing country Parties [are encouraged] to implement and give information on general inventory QA/QC procedures in accordance with its QA/QC plan and the [IPCC Guidelines identified in B.4.a].]

3. **[Option 4.6.3.1:** Each Party [shall][should] compare the national estimates of CO<sub>2</sub> emissions from fuel combustion with those estimates obtained using the reference approach, as contained in the [IPCC Guidelines identified in B.4.a], and report the results of this comparison in the NIR.]

**[Option 4.6.3.2:** Developed country Parties [shall][should] compare the national estimates of CO<sub>2</sub> emissions from fuel combustion with those estimates obtained using the reference approach, as contained in the [IPCC Guidelines identified in B.4.a], and report the results of this comparison in the NIR. Developing country Parties [are encouraged] to compare the national estimates of CO<sub>2</sub> emissions from fuel combustion with those estimates obtained using the reference approach, as contained in the [IPCC Guidelines identified in B.4.a].]

## **B.5. Metrics**

1. **[Option 5.1.1:** Placeholder for outputs of APA agenda item 3(c) on further guidance in relation to the mitigation section of decision 1/CP.21 on accounting for Parties' nationally determined contributions, as specified in paragraph 31, of the Paris Agreement to be incorporated into the MPGs.]
2. **[Option 5.2.1:** Each Party [shall] use common metrics as agreed by CMA to report aggregate emissions and removals of GHGs, expressed in CO<sub>2</sub> equivalent (CO<sub>2</sub> eq).]

**[Option 5.2.2:** Each Party [shall] use the 100-year time horizon global warming potential (GWP) values from the IPCC [fourth][fifth] assessment report to report aggregate emissions and removals of GHGs, expressed in CO<sub>2</sub> equivalent (CO<sub>2</sub> eq). Each Party [may] use other metrics to report aggregate emissions and removals of GHGs.])

**[Option 5.2.3:** Developed country Parties [shall] use the 100-year time horizon global warming potential (GWP) values from the IPCC [forth][fifth] assessment report to report aggregate emissions and removals of GHGs, expressed in CO<sub>2</sub> equivalent (CO<sub>2</sub> eq). Developing country Parties [shall] use the 100-year GWPs values from the IPCC second assessment report and [are encouraged to] use the 100-year time horizon global warming potential (GWP) values from the IPCC [forth][fifth] assessment report to report aggregate emissions and removals of GHGs, expressed in CO<sub>2</sub> equivalent (CO<sub>2</sub> eq).]

3. **[Option 5.3.1:** Each Party [shall] report aggregate emissions and removals of GHGs, expressed in CO<sub>2</sub> equivalent (CO<sub>2</sub> eq).]  
**[Option 5.3.2:** Each Party [shall] report all estimates of emissions and removals in the mass of each GHG.]
4. Each Party [shall] report, as appropriate, supplemental information on aggregated GHG emissions and removals, if other metrics applicable to national circumstances are used.
5. Each Party [shall] provide in the NIR information on the values of the metrics used and, in the case of GWP or GTP being used, the IPCC assessment report they were sourced from.

## **B.6. Reporting guidance**

### **a. Information on methods and cross-cutting elements**

#### **[Reporting on methods]**

1. **[Option 6.1.1:** Each Party [shall] report all methods, including their choice and rationale in the context of IPCC good practice, sources of emission factors and activity data used to compile the GHG inventory including descriptions, assumptions, references and sources of information used.]  
**[Option 6.1.2:** Developed country Parties [shall] report all methods, including their choice and rationale in the context of IPCC good practice, sources of emission factors and activity data used to compile the GHG inventory including descriptions, assumptions, references and sources of information used. [Developing country Parties [are encouraged to] report all methods, including their choice and rationale in the context of IPCC good practice, sources of emission factors and activity data used to compile the GHG inventory including descriptions, assumptions, references and sources of information used.])
2. Each Party, when preparing estimates using higher tier methods and models, [shall] provide transparent information on the methods, data and assumptions in line with IPCC good practice.
3. [Each Party][Developed country Parties] [shall][should] provide information on the category and gas, and the methodologies, emissions factors and activity data used [at the most disaggregated level], including related data references for reported

emission and removal estimates for any country-specific category and gas that is not included in the [IPCC Guidelines identified in B.4.a]]

4. Each Party [shall] describe the national key categories, including information on the approach used for their identification, and information on the level of disaggregation used.
5. [Each Party][Developed country Parties] [shall] report the individual and cumulative percentage contributions from key categories, for both level and trend, consistent with the [IPCC Guidelines identified in B.4.a].
6. [Each Party][Developed country Parties] [shall] report the QA/QC plan and information on QA/QC procedures already implemented or to be implemented in the future.
7. [Each Party][Developed country Parties] [shall] report the results of uncertainty analysis as well as methods used and underlying assumptions; at least for base year and the latest inventory year.
8. [Each Party][Developed country Parties] [shall] report recalculations for the base year and all subsequent years of the time series, together with explanatory information and justifications for recalculations with an indication of relevant changes and their impact on the emissions trends.
9. [Each Party][Developed country Parties] [shall] report information on the reasons for lack of completeness, including explanations on any methodological or data gaps.
10. [Developing country Parties][Those developing country Parties that need flexibility in the light of their capacities] [may] simplify the reporting format in accordance with their national circumstances.
11. Each Party [shall] report on methodological consistency between the GHG inventory and the communication and implementation of NDCs.

**b. Sectors and gases**

**[General]**

1. [Each Party][Developed country Parties] [shall] report emissions and removals on a gas-by-gas basis in units of mass, with emissions by sources listed separately from removals by sinks, except in cases where it may be technically impossible to separate information on emissions and removals in the land sector.
2. [Each Party][Developed country Parties] [shall] report emissions and removals at the most disaggregated level of each source/sink category, providing that a minimum level of aggregation is needed to protect confidential business and military information.
3. **[Option 6.2.1:** Each Party [shall] report estimates of emissions and removals for all IPCC categories, gases and carbon pools considered in the GHG inventory throughout the reported period including a descriptive summary and figures underlying emission trends.]

**[Option 6.2.2:** Developed country Parties [shall] report estimates of emissions and removals for all IPCC categories, gases and carbon pools considered in the GHG inventory throughout the reported period including a descriptive summary and figures underlying emission trends. Developing country Parties [are encouraged to] report such information and [shall][as applicable, and to the extent possible] report at the minimum the summary of GHG emissions and removals, including the information expressed in CO<sub>2</sub> eq. in emission trend tables provided in the [common tabular format][CRF]. Developing country Parties [may] exclude, if necessary, emission sources/removals categories and/or gases/pools if the necessary information to estimate the emissions/removals is not available according to national circumstances.]

4. Each Party [shall] include all categories of anthropogenic emissions or removals in the NDC and, once a source, sink or activity is included, continue to include it.

**[Gases]**

5. **[Option 6.3.1:** Each Party [shall] report all 7 gases (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>).]

**[Option 6.3.2:** Each Party [shall] report 7 gases (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>), except those developing country Parties that need flexibility in the light of their capacities that [shall] report at least 3 gases (CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O) and [are encouraged to] report [7 gases][PFCs, HFCs, SF<sub>6</sub> and NF<sub>3</sub> subject to certain conditions (e.g. previously reported; included in NDCs; covered by an Article 6 activity; or significant contributor in national emissions).]

**[Option 6.3.3:** Developed country Parties [shall] report all 7 gases (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>). Developing country Parties [[should] report at least 3 gases (CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O)][as appropriate, and to the extent possible][are encouraged to] report PFCs, HFCs, SF<sub>6</sub> and NF<sub>3</sub> subject to certain conditions (e.g. previously reported; included in NDCs; covered by an Article 6 activity; or significant contributor in national emissions))[[may] report gases according to national circumstances].]

6. If reporting HFCs, PFCs, SF<sub>6</sub> and NF<sub>3</sub>, [each Party][developed country Parties] [shall] report actual emissions of these gases, providing disaggregated data by chemical (e.g. HFC-134a) and category in units of mass and in CO<sub>2</sub> eq.

**[Sectors]**

7. Each Party [shall] report the following sectors: Energy, Industrial Processes and Product Use, Agriculture, Land use, land-use change and forestry, and Waste, according to the [IPCC Guidelines identified in B.4.a].

**[Precursor gases]**

8. Each Party [should] provide information on the following precursor gases: carbon monoxide (CO), nitrogen oxides (NO<sub>x</sub>) and non-methane volatile organic compounds (NMVOCs), as well as sulphur oxides (SO<sub>x</sub>). [Developing country Parties are encouraged to provide estimates for precursor gases, if data is available.]

**[Indirect emissions]**

9. **[Option 6.4.1:** Each Party [should][may] report indirect CO<sub>2</sub> from the atmospheric oxidation of CH<sub>4</sub>, carbon monoxide (CO), and non-methane volatile organic compounds (NMVOCs). For Parties that decide to report indirect CO<sub>2</sub>, the national totals are presented with and without indirect CO<sub>2</sub>. [Developing country Parties are encouraged to provide estimates for indirect emissions, if data is available.]

**[Option 6.4.2:** Each Party [should][may] report indirect CO<sub>2</sub> from the atmospheric oxidation of CH<sub>4</sub>. For Parties that decide to report indirect CO<sub>2</sub>, the national totals are presented with and without indirect CO<sub>2</sub>. [Developing country Parties are encouraged to provide estimates for indirect emissions, if data is available.]

10. Each Party [should] report indirect N<sub>2</sub>O emissions from other than the agriculture and LULUCF sources as a memo item. These estimates of indirect N<sub>2</sub>O shall not be included in national totals. Parties may provide information on other substances that have an impact on climate.

**[Bunker fuel emissions]**

11. Each Party [shall] report international aviation and marine bunker fuel emissions as two separate entries and not include in national totals but reported distinctly, if disaggregated data are available, making every effort to both apply and report according to the method contained in the [IPCC Guidelines identified in B.4.a] for separating domestic and international emissions. [Developing country Parties should, to the extent possible, provide estimates for aviation and marine bunker fuel emissions, if data is available.]

**[Feedstocks]**

12. [Each Party][Developed country Parties] [shall] clearly indicate how feedstocks and non-energy use of fuels have been accounted for in the inventory, under the energy or industrial processes sector, in accordance with the [IPCC Guidelines identified in B.4.a]. [Developing country Parties are encouraged to clearly indicate how feedstocks and non-energy use of fuels have been accounted for in the inventory, under the energy or industrial processes sector, in accordance with the [IPCC Guidelines identified in B.4.a].]

**[Natural disturbances]**

13. Each Party [shall] report information on approach taken, if any, to ensure identification of natural disturbances and corresponding emissions and removals, in accordance with [IPCC Guidelines identified in B.4.a], and [shall] indicate if these estimates are included in national totals. [Developing country Parties are encouraged to report information on approach taken, if any, to ensure identification of natural disturbances and corresponding emissions and removals, in accordance with [IPCC Guidelines identified in B.4.a], and [shall] indicate if these estimates are included in national totals.]

**c. Time series**

1. **[Option 6.5.1:** Each Party [shall] report a consistent time series from 1990 [or other base years] to X-2 (X= submission year).]

**[Option 6.5.2:** Each Party [shall] report a consistent time series from 1990 or other base years, [if reported in the past], to X-2 (X= submission year).]

**[Option 6.5.3:** Each Party [shall] report a consistent time series from 1990 or other base years, [if reported in the past], to X-2, except those developing country Parties that need flexibility in the light of their capacities that [shall] report a consistent time series from [1990][2020] or other base years, [if reported in the past], to X-4 [and provide an explanation and a timeline for moving to more recent data in the improvement plan] (X= submission year).]

**[Option 6.5.4:** Each Party [shall] report a consistent time series from 1990 or other base years, [if reported in the past] to X-2 except those developing country Parties that need flexibility in the light of their capacities that [shall] report a consistent time series from [a later year, but as far back as allowed by data availability (e.g. the latest year reported in the NC/BUR or base year in the NDC)][2010 at a minimum] to [X-4][X-3] in transition to X-2, depending on data availability (X= submission year).]

**[Option 6.5.5:** Each Party [shall] report in the NIR information covering the base year, the most recent 10 years and any previous years since the base year ending with 0 or 5. If the information required has not been reported in previous reports and/or is not available, each Party [shall] provide information of the years available, including the base year and NDC reference year.]

**[Option 6.5.6:** Developed country Parties [shall] report a consistent time series from 1990 or other base years to X-2 (X= submission year). Developing country Parties [are encouraged to] provide [a consistent time series back to the years reported in the previous national communications under the Convention [(1990 and 1994) to X-4][before 2020 and/or reported under the Paris Agreement, or use 2010 as the base year]][estimates for the inventory year (X-4) and for years included in previous NCs or BURs e.g. 1990, 2005, 2010.]]

## **B.7. Constraints and capacity-building needs**

**[Option 7.1.1:** A subheading on constraints and capacity-building needs is not necessary in this part of MPGs.]

**[Option 7.1.2:**

1. [Developing country Parties][Those developing country Parties that need flexibility in the light of their capacities] [shall][should] identify and provide transparent updated information related to the planning, preparation, management compilation and report of the inventory, including what would be needed to improve transparency, accuracy completeness, comparability and consistency of future reports, on constraints and gaps (both domestic and external) based on national circumstances and related financial, technical and capacity-building needs in the NIR or in the outcome of the process for the consideration of the support needed under Article 13, paragraph 10.
2. [Developing country Parties][Those developing country Parties that need flexibility in the light of their capacities] [shall][should] provide information on the expected improvements to the GHG inventory for which capacity-building is requested, prioritizing the proposed improvements.
3. Developing country Parties [shall][should] report in the [NIR][improvement plan] challenges experienced in using the [IPCC Guidelines identified in B.4.a].]

## **B.8. [Improvement plan][Future areas of improvement]**

**[Option 8.1:** [Improvement plan][Future areas of improvement] is not necessary in this section.]

**[Option 8.2:**

**[Preparing an improvement plan]**

1. **[Option 8.2.1.1:** Each Party [shall] prepare and periodically update an improvement plan that includes improvements related to: TACCC; methodologies; activity data collection; preparation of emission factors; key category analysis and uncertainty estimation; QA/QC plan and procedures; and inventory management and include timelines and funding needs.]

**[Option 8.2.1.2:** Each Party [shall] prepare and periodically update an improvement plan that includes improvements related to: TACCC; methodologies; activity data collection; preparation of emission factors; key category analysis and uncertainty estimation; QA/QC plan and procedures; and inventory management and include timelines and funding needs. [Developing country Parties][Those developing country Parties that need flexibility in the light of their capacities] [should][are encouraged to]prepare and periodically update an improvement plan that includes improvements related to: completeness; methodologies;

activity data collection; preparation of emission factors; key category analysis; uncertainty estimation; QA/QC plan and procedures; inventory management, including timelines and funding needs.]

**[Option 8.2.1.3:** Developed country Parties [shall] report improvement plans related to the national inventory following the requirements established in decision 24/CP.19.]

2. Each Party [should] strive to reduce the extent of the improvement plans as reporting improves over time.

**[Reporting on planned improvements]**

3. Each Party [shall] report in the NIR [a summary of] the improvement plan. [Developing country Parties are encouraged to report in the NIR [a summary of] the improvement plan.]
4. Each Party [shall] report on implemented and planned inventory improvements based on the recommendations from the technical expert review. [Developing country Parties are encouraged to report on implemented and planned inventory improvements based on the recommendations from the technical expert review.]
5. Those developing country Parties that need flexibility in the light of their capacities [shall] [are encouraged to] explain the application of flexibility and identify planned activities to improve data quality and the TACCC of reporting, towards the full implementation of the MPGs over time. [Developing country Parties are encouraged to explain the application of flexibility and identify planned activities to improve data quality and the TACCC of reporting, towards the full implementation of the MPGs over time.]]

**B.9. Submission process, frequency, and reporting formats and tables**

**[Form of national inventory report submission]**

1. **[Option 9.1.1:** Each Party [shall] submit a national inventory report, comprising:
  - a. An NIR in one of the official UN languages including an English translation, if possible, to facilitate TER. The NIR [shall] include detailed and complete information on inventories [and any additional information provided by the respective Party during TER];
  - b. Detailed information by sector, category and gas, in metric tonnes, and CO<sub>2</sub> equivalence in the [common tabular format][CRF] submitted through an electronic reporting system maintained by the secretariat [as part of the biennial transparency reports].]

**[Option 9.1.2:** Developed country Parties [shall] submit a national inventory report, comprising:

- a. An NIR in one of the official UN languages including an English translation, if possible, to facilitate TER. The NIR [shall] include detailed and complete information on inventories [and any additional information provided by the respective Party during TER];
- b. Detailed information by sector, category and gas, in metric tonnes, and CO<sub>2</sub> equivalence in the [common tabular format][CRF] submitted through an electronic reporting system maintained by the secretariat [as part of the biennial transparency reports].

Developing country Parties [shall] provide:

- a. An NIR in one of the official UN languages including an English translation, if possible, to facilitate TER. The NIR [shall] include detailed and complete information on inventories [and any additional information provided by the respective Party during TER];
- b. [Summary information tables for the years previously reported in the GHG inventories in their NCs][Tables 1 and 2 of 17/CP.8 in reporting its national GHG inventory][Inventory sectoral tables and worksheets of the IPCC].]

**[Frequency]**

2. **[Option 9.2.1:** Each Party [shall] submit the national inventory report annually.]

**[Option 9.2.2:** Each Party [shall] submit the national inventory report annually, [except those developing country Parties that need flexibility in the light of their capacities][developing country Parties] that [may] submit the national inventory report on a biennial basis and [are encouraged to] move to annual submission over time.]



**[Option 9.2.3:** Developed country Parties [shall] submit the national inventory report annually. Developing country Parties [shall] submit the national inventory report on a biennial basis [with no specific deadline for the submission within this timeframe, taking into account paragraph 90 of decision 1/CP.21 and Article 13 paragraphs 2, 14 and 15]. LDCs and SIDS [may] submit at their discretion.]

**[NIR submission vehicle/format]**

3. **[Option 9.3.1:** Each Party [shall] submit the national inventory report under the Paris Agreement in conjunction with the inventory under the Convention/Kyoto Protocol.]

**[Option 9.3.2:** Each Party [shall] submit the national inventory report as a stand-alone report [separated from][or as part of] the biennial transparency report, consistent with paragraph 7(a) of Article 13 of the Agreement.]

**[Option 9.3.3:** Each Party [shall] submit the national inventory report as part of a comprehensive report, in the years when other information requested by Article 13 of the Paris Agreement is reported.]

**[Option 9.3.4:** Developed country Parties [shall] submit the national inventory report under the Paris Agreement as a stand-alone report. Developing country Parties [may] submit the national inventory report under the Paris Agreement alongside the biennial transparency report under Article 13 and [are encouraged to] move to a stand-alone report over time.]

**[Option 9.3.5:** Developed country Parties [shall] submit the national inventory report under the Paris Agreement as a stand-alone report. Developing country Parties [shall] provide a summary or an update of the information contained in chapter III (national GHG inventories) of the annex to decision 17/CP.8 and include additional or supporting information, as well as sector-specific information, in a technical annex [, with flexibility on the level of detail].]

## Annex I

An annotated outline for the NIR contents [based on the annotated outline of the NIR for developed country Parties in the annex to decision 24/CP.19]

## Annex II

The thresholds for insignificance of categories

]
  
 ]

## C. Information necessary to track progress made in implementing and achieving its nationally determined contribution under Article 4 of the Paris Agreement

[

**[Option 1:** All Parties continue with current UNFCCC monitoring, reporting and verification (MRV) requirements to fulfill Article 13 obligations.]

**[Option 2:** All Parties continue with current UNFCCC MRV requirements as a starting point, and move to option 4 below at a later point in time.]

**[Option 3:** Those provisions in option 4 below that apply to “developed country Parties” and “developing country Parties” should be placed under separate headings within separate documents. Further, certain provisions in option 4 that apply to each Party will be placed under both sections.]

### [Option 4:

***Proposal for organizational and procedural aspects of the MPGs in section C:***

*Three-layer account/accounting system:*

- First layer containing non-quantifiable and quantifiable information to “account for NDCs”, as stipulated by Article 4.13 of the Paris Agreement;

- Second layer containing quantifiable information related to the “accounting for anthropogenic emissions and removals corresponding to a Party’s NDC”;
- Third layer applying only to Parties that decide to participate in “cooperative approaches” and transfer of ITMOs (Article 6.2) and/or the “mechanisms” (Article 6.4), following additional guidance established for these Articles.

*Different types of information to be provided in biennial transparency reports of the NDC cycle:*

<b>BTR</b>	<b>Information</b>
<b>First BTR</b>	National circumstances
	Description of NDC
	Accounting approach
	Base/reference value
	Initial values (quantified) and/or status (qualitative) of indicators for tracking progress on the implementation and/or achievement of NDCs
	Policies and measures
	Summary information on GHG inventory
	Expected transfer/use of ITMOs
	[Projections]
<b>Second and subsequent BTRs</b>	Updates on national circumstances, NDC, accounting approach, base/reference value
	Updates of values and/or status of indicators and comparison to reference point
	Summary information on GHG inventory
	Transfer/use of ITMOs, if applicable
	Accounting balance
	[Projections]
<b>First report following the end of an NDC cycle</b>	Updates on national circumstances, NDC, accounting approach, base/reference value
	Updates of values and/or status of indicators and comparison to reference point
	Summary information on GHG inventory
	Transfer/use of ITMOs, if applicable
	Accounting balance
	Quantitative and/or qualitative assessment of achievement of NDC

[

### C.1. Objectives and principles

[**Option 1.1:** Objectives and principles covered in an overarching section.]

[**Option 1.2:**

**[Objectives]**

[**Option 1.2.1.1:** No objectives section necessary in the MPGs.]

[**Option 1.2.1.2:**

1. [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. The objectives of these MPGs for providing information necessary to track progress made in implementing and achieving Parties’ nationally determined contributions under Article 4 of the Paris Agreement are:
  - a. To assist each Party in meeting its commitments under Article 13, paragraph 7(b) of the Paris Agreement, including by providing information on the progress made in implementing and achieving its nationally determined contribution under Article 4;



- b. To inform the CMA and global stocktake;
- c. To identify successes and challenges in meeting Parties' nationally determined contributions under Article 4;
- d. To facilitate knowledge sharing amongst Parties;
- e. To facilitate the process of technical expert review.
- f. [To facilitate reporting on any social and economic social consequences of response measures.]]

**[Principles]**

**[Option 1.2.2.1:** No principles section necessary in the MPGs.]

**[Option 1.2.2.2:**

- 3. The principles guiding these MPGs for providing information necessary to track progress made in implementing and achieving nationally determined contributions under Article 4 are:
  - a. Transparency means all elements relevant for tracking of progress and methodologies used should be clearly explained;
  - b. Accuracy means the aggregation and summation of individual elements that reflect the overall progress is correct;
  - c. Completeness means progress is tracked for all elements of the nationally determined contribution under Article 4;
  - d. Consistency means methodologies used to establish reference level(s) or base year/periods are consistent with the methodologies used in the period of tracking progress of the implementation and achievement of nationally determined contributions under Article 4.]

**[Option 1.2.2.3:**

- 3. In the context of these MPGs, the principles guiding the provision of information necessary to track progress made in implementing and achieving nationally determined contributions under Article 4 are:
  - a. The importance of facilitating improved reporting and transparency over time;
  - b. The need to provide flexibility to those developing country Parties that need it in the light of their capacities;
  - c. The need to promote transparency, accuracy, completeness, consistency, and comparability;
  - d. The need to avoid duplication as well as undue burden on Parties and the secretariat;
  - e. The need to ensure that Parties maintain at least the frequency and quality of reporting in accordance with their respective obligations under the Convention;
  - f. The need to ensure that double counting is avoided;
  - g. The need to ensure environmental integrity;
  - h. Respect sovereignty and ensure a step-wise approach in accordance with national circumstances, capacity and capability;
  - i. Based on the use of best available science and existing methods and guidance;
  - j. Developed country Parties take the lead in tracking progress of nationally determined contributions under Article 4;
  - k. Flexibility to LDCs and SIDS to submit strategic plans and actions for low GHG emissions development reflecting their special circumstances;
  - l. [The need to ensure implementation in a facilitative, non-intrusive, non-punitive manner, respectful of national sovereignty, and avoid placing undue burden on Parties and the secretariat]].

## **C.2. National circumstances and institutional arrangements**

**[Option 2.1:** There should be one section relating to national circumstances and institutional arrangements that apply to the MPGs as a whole.]

**[Option 2.2:**

**[National circumstances]**

1. Each Party [shall][should][may] describe its national circumstances relevant to progress made in the implementation and achievement of nationally determined contributions under Article 4, including:
  - a. Government structure;
  - b. Population profile;
  - c. Geographical profile;
  - d. Economic profile;
  - e. Climate profile;
  - f. Sector details.
2. Each Party [shall][should][may] also provide information on how its national circumstances affect GHG emissions and removals over time, including disaggregated indicators.
3. Developed country Parties [shall][should][may] provide information on economy-wide emissions GHG emissions and removals.

#### ***[Institutional arrangements]***

4. Each Party [shall][should][may] provide information on the institutional arrangements in place to track progress made in implementing and achieving its nationally determined contribution under Article 4, including those used for tracking internationally transferred mitigation outcomes, if applicable, along with any changes in institutional arrangements since its most recent biennial transparency report.
5. Each Party [shall][should][may] provide information on legal, institutional, administrative and procedural arrangements for domestic implementation, monitoring, reporting, archiving of information, stakeholder engagement, and evaluating progress towards its nationally determined contribution under Article 4. To avoid undue burden, Parties should only report on changes in institutional arrangements after the first report describing those arrangements.

#### ***[Other information]***

6. Each Party [shall][should] provide information on the social and economic impact of response measures, based on full cooperation, to enhance understanding of their economic and social consequences, taking into account the need for information from those affected, [and evidence of actual impacts], and of both positive and negative effects.
7. Each Party [shall][should] provide information on mitigation co-benefits from adaptation actions and/or economic diversification plans.]

### **C.3. Description of a Party's NDC under Article 4, including updates**

**[Option 3.1:** Placeholder for relevant outputs of APA agenda item 3 on further guidance in relation to the mitigation section of decision 1/CP.21, to be incorporated into the MPGs.]

#### **[Option 3.2:**

1. Each Party [shall][should][may] provide a description of its nationally determined contribution under Article 4, including a web link and the information to facilitate clarity, transparency, and understanding identified in [X/CMA.1, output of APA agenda item 3(b)]. Each Party [shall][should] also clearly identify any updates to the description since its most recent biennial transparency report.]

#### **[Option 3.3:**

1. Each Party [shall][should][may] describe and provide updated information, as applicable, related to its nationally determined contribution under Article 4, including the following information, as appropriate:
  - a. Any conditional components of its nationally determined contribution under Article 4, including the applicable coverage, scope, reference year, any adjustments/updates to it, and any additional factors;
  - b. The components covered by the nationally determined contributions under Article 4, [including mitigation (including mitigation co-benefits resulting from adaptation actions and/or economic diversification plans), adaptation, response measures, and support];

- c. Targets, including quantitative values (absolute or relative), time frames for achieving the target (single year or multiyear), information on data sources and methodologies used, if applicable to nationally determined contributions, and definition of carbon or emissions neutrality for carbon or emissions neutrality targets;
- d. Reference level, including quantitative value for the base year or base period [for developed country Parties only], information whether the reference level(s) and/or base year/period remain fixed during the target period or is subject to change and information on changes or recalculations of changes and explanation for such changes;
- e. Time frames and/or periods for implementation [for developed country Parties only], including indication of single year or multi-year emission target;
- f. Scope and coverage, including sectors, categories or sources and sinks, carbon pools and gases [for developed country Parties only]. If sectors or categories are used that are different to GHG inventories, information should include explanations how the indicated sectors and categories are defined with respect to inventory reporting sectors and categories;
- g. Indicators and/or elements relevant for tracking progress of the nationally determined contribution under Article 4;
- h. Methodologies and assumptions, including by sector, category or activity, if they vary;
- i. Description of accounting approaches including for the land use, land-use change and forestry sector, taking into account any relevant decisions adopted by the CMA [for developed country Parties only];
- j. Conditions and assumptions relevant to the achievement of nationally determined contributions under Article 4 [for developed country Parties only];
- k. Metrics, including global warming potentials;
- l. Expected [transfer][use of internationally transferred mitigation outcomes][transfer of mitigation outcomes];
- m. Data sources;
- n. [Planning processes;]
- o. An explanation of how double counting will be avoided in tracking progress and achievement of nationally determined contributions under Article 4;
- p. [Information on fairness and equity;]
- q. [Information on the social and economic impact of response measures;]
- r. [Mitigation co-benefits resulting from adaptation action and/ or economic diversification plans.]
- s. [Information on any adjustment of the NDC in accordance with Article 4, Paragraph 11 and the relevant parameters of this adjustment for the tracking of implementation and achievement of the NDC;]
- t. [Any additional clarification of parameters relevant to the implementation and achievement of progress arising from decisions taken by the Party after the submission of the NDC.]]

**[Option 3.4:**

1. Developed country Parties [shall][should] provide a description of its nationally determined contribution under Article 4, guided by paragraphs 12-22 of decision 2/CP.17 and its Annex I, paragraphs 4-7.
2. **[Option 3.4.1:** Developing country Parties [shall][should] provide a description of its nationally determined contribution under Article 4, guided by paragraphs 41-44 of decision 2/CP.17 and its Annex III, paragraphs 11-13.]

**[Option 3.4.2:** Developing country Parties [shall][should] provide a web link to its nationally determined contribution under Article 4.]]

**C.4. Information necessary to track progress made in implementing its nationally determined contribution under Article 4 to date**

**[Option 4.1:** Placeholder for relevant outputs of APA agenda item 3 on further guidance in relation to the mitigation section of decision 1/CP.21, to be incorporated into the MPGs.]

**[Option 4.2:**

1. Each Party [shall][should][may] identify relevant quantitative and/or qualitative indicators relevant to tracking progress towards the implementation and achievement of its nationally determined contribution under Article 4, including associated definitions, criteria used for identifying/selecting indicator(s) in accordance with the type and components of nationally determined contribution, methodologies, assumptions, and data sources. [These indicators could include, for example, GHG emissions; CO<sub>2</sub> emissions/GDP; share of non-fossil fuel in primary energy consumption, etc.][The indicators [shall][should] be developed consistent with [X/CMA.1, output of APA agenda item 3(c)].
2. Each Party [shall][should] provide [in its first biennial transparency report] the initial values for the selected indicators for the base year/baseline/base point, and provide the associated definitions, criteria for selecting indicators, methodologies, assumptions, and data sources.
3. For each [subsequent] biennial transparency report, each Party [shall][should] provide values for the indicator in the reported year identified pursuant to paragraph 1, using consistent definitions, methodologies, assumptions, and data sources. This information [shall][should] be provided for the period from the base year/baseline/base point to the latest year available in the time frame and/or period of implementation. This information [shall][should] be presented consistent with [X/CMA.1, output of APA agenda item 3(c)].
4. **[Option 4.2.1:** Each Party [shall][should][may] compare the updated values for each indicator in paragraph 3 with the initial values pursuant to paragraph 2 to qualitatively and quantitatively track progress made in implementing its nationally determined contribution under Article 4.][**Option 4.2.2:** Each Party [shall][should] compare the updated values for each indicator for the latest year available in the time frame and/or period of implementation with the base year/baseline/base point.]
5. Each Party [shall][should] provide the final accounting balance as a structured summary of all relevant quantified components for each year of the target period, including:
  - a. Time series of total net GHG emissions and removals in line with the scope and period of the nationally determined contribution;
  - b. Quantified reference level(s) and/or base year(s)/period;
  - c. Relevant quantified information used for the NDC of the Party for the base year until the most recent year (e.g. GDP, population, quantified indicators for mitigation actions or mitigation co-benefits from adaptation actions and/or economic diversification plans);
  - d. As applicable contributions and/or adjustments for each year of the target period in accordance with relevant guidance adopted under Article 6;
  - e. As applicable contributions from the LULUCF sector for each year of the target period if such contributions are not yet reflected in the total GHG emissions and removals above;
  - f. Any additional quantified parameters for each year of the target period arising from the NDC as determined by the Party relevant for the implementation of progress.]
6. Information pursuant to paragraphs 1 to 4 [shall][should] be presented in narrative and tabular format [including assessment of progress in implementing nationally determined contribution].
7. Each Party [shall][should] also provide the following, as applicable to its nationally determined contribution under Article 4:
  - a. Information on the metrics and emissions and removals estimation methodologies used (consistent with CMA decisions);
  - b. A description of the sectors, gases, categories, pools covered, where they differ from inventory coverage and definitions;
  - c. An explanation of how the information used to track progress is consistent with the Party's most recent national inventory report;
  - d. Information on how the sectors, categories, gases and, as relevant, pools, included in the Party's nationally determined contribution under Article 4 have been addressed in the reference, including updates to the reference as a result of more accurate information, and any expansion of coverage, and updates to data and parameters;

- e. Information on how policies and measures have been included in the reference level and their implementation timeframes, reasons for exclusion of relevant policies and measures;
  - f. Projected baseline, if relevant;
  - g. [Institutional setting, policy, strategy, measures, actions, and stakeholders' engagement on [XX];]
  - h. Information on mitigation co-benefits resulting from adaptation policies, strategies, measures, actions and/or economic diversification plans and how they contribute to achieving the nationally determined contribution under Article 4;
  - i. [Information on adaptation component of nationally determined contributions under Article 4, to be reported in accordance with [section D] below;]
  - j. [Information on support provided component of nationally determined contributions under Article 4, to be reported in accordance with [section E] below;]
  - k. [Information on support needed related to nationally determined contributions under Article 4, to be reported in accordance with [section F] below;]
  - l. Contribution from the land-use sector (including natural disturbances, if any) and a description of the accounting approaches used;
  - m. Information on REDD-plus activities, REDD-plus results-based payments or results from the implementation of joint mitigation and adaptation policy approaches;
  - n. Approach taken, if any, to natural disturbance in the land sector;
  - o. Information on the social and economic impact of response measures;
  - p. Progress made in cooperating to enhance the understanding of the economic and social consequences of response measures, taking into account the need for information from those affected, [and evidence of actual impacts,] and of both positive and negative effects.
8. Developing country Parties [should] provide information on applicable indicators and information necessary to track progress, consistent with the level and timeliness of support [and should determine frequency of submission].

**[Option 4.3:**

1. Each Party [shall][should] identify qualitative and/or quantitative indicator(s) relevant to tracking progress towards the implementation and achievement of its nationally determined contribution under Article 4. [These indicators could include, as appropriate, for example:
  - a. Percentage reduction of [net] GHG emissions below a specified base year, base period, baseline;
  - b. Percentage reduction of GHG intensity below the specified base year or base period with its relevant parameters, such as, GHG emissions, GDP, population, or other metric;
  - c. Relevant indicators for a specific policy or measure;
  - d. Relevant indicators to track progress mitigation co-benefits resulting from adaptation actions or economic diversification plans;
  - e. Other (e.g. hectares of reforestation; percentage of renewable energy use or production, carbon neutrality, peak emission, share of non-fossil fuel in primary energy consumption, or non-GHG related indicators, etc.)]
2. Each Party [shall][should] provide the information necessary to understand the qualitative and/or quantitative for each selected indicator identified in paragraph 1 above including:
  - a. Associated definitions;
  - b. Criteria used for identifying/selecting indicators in accordance with the type and components of nationally determined contribution;
  - c. Methodologies and assumptions used to define and/or calculate each selected indicator;
  - d. Data sources;

- e. [Placeholder for additional information from paragraph 9 below].
3. Each Party [shall][should] provide [in its first biennial transparency report] the initial qualitative and/or quantitative information for each selected indicator determined by the Party for the base year, base period, or baseline.
4. For each [subsequent] biennial transparency report, each Party [shall][should] provide the most recent qualitative and/or quantitative information for each selected indicator identified in paragraph 1, in consistent with paragraph 1 a), b), c), and d) in the time frame and/or period of implementation.
5. Each Party [shall][should] compare the most recent information for each selected indicator identified in paragraph 1 with the initial information pursuant to paragraph 2 to qualitatively and/or quantitatively track progress made in implementing its nationally determined contribution under Article 4.
6. [For the second and subsequent nationally determined contribution under Article 4, each Party [shall][should] ensure that each selected indicator identified in paragraph 1 to 5 above is consistent with any guidance provided in [X/CMA.1, output of APA agenda item 3(c)].]
7. Information pursuant to paragraph 1 to 5 [shall][should] be presented in narrative and tabular format [including assessment of progress in implementing nationally determined contribution].
8. Each Party [shall][should] provide the methodology or methodologies used in tracking progress towards the implementation and achievement of its NDC under Article 4, and;
  - a. Confirm the methodology in each reporting year is consistent with the methodology or methodologies used when communicating the NDC [in C.3.1 above];
  - b. Explain how the data used is consistent with the Party's most recent National Inventory Report;
  - c. Describe how double-counting of net greenhouse gas emissions reductions has been avoided.
9. Each Party [shall][should] also provide the following, as applicable to its nationally determined contribution under Article 4:
  - a. An explanation of how the information used to track progress is consistent with the Party's most recent national inventory report;
  - b. Information on how methodologies, accounting approaches, assumptions and definitions used to track progress toward the achievement of the nationally determined contribution under Article 4 are consistent, in each reporting year, with those used in communicating the nationally determined contribution under Article 4;
  - c. A description of the sectors, gases, categories, pools covered, where they differ from inventory coverage and definitions;
  - d. Information on how the sectors, categories, gases and, as relevant, pools, included in the Party's nationally determined contribution under Article 4 have been addressed in the reference, including updates to the reference as a result of more accurate information, and any expansion of coverage, and updates to data and parameters;
  - e. Information on the construction of the reference emissions/ removals baseline;
  - f. Information on the construction of projected baselines, if relevant;
  - g. Information on the contribution to the reference level from sub-national or sectoral baselines, reference levels and projections as relevant;
  - h. A comparison of anthropogenic emissions / removals against the reference level for each reported year;
  - i. Information on how mitigation outcomes are compared to the reference level;
  - j. For quantified mitigation actions, an estimate of their impact and underlying assumptions;
  - k. For mitigation actions, information on progress with respect to implementation, consistent with [section C.6], and indicators to monitor the progress;
  - l. Information on how policies and measures have been included in the reference level and their implementation timeframes, reasons for exclusion of relevant policies and measures;
  - m. Institutional setting, policy, strategy, measures, actions, and stakeholders' engagement on [XX];

- n. Information on adaptation component of nationally determined contributions under Article 4, to be reported in accordance with [section D] below;
- o. Information on support provided component of nationally determined contributions under Article 4, to be reported in accordance with [section E] below;
- p. Information on support needed related to nationally determined contributions under Article 4, to be reported in accordance with [section F] below;
- q. Contribution from the land-use sector (including natural disturbances, if any) and a description of the accounting approaches used;
- r. Information on REDD-plus activities, REDD-plus results-based payments or results from the implementation of joint mitigation and adaptation policy approaches;
- s. Approach taken, if any, to natural disturbance in the land sector;
- t. Information on the social and economic impact of response measures;
- u. Progress made in cooperating to enhance the understanding of the economic and social consequences of response measures, taking into account the need for information from those affected, and evidence of actual impacts, and of both positive and negative effects.]

**[Option 4.4:**

1. Each Party [shall][should] identify quantitative and/or qualitative indicators relevant to tracking progress towards implementing and achievement of nationally determined contribution under Article 4, including methodologies, assumptions, and data sources.
2. Each Party [shall][should] also provide the following, as applicable to its nationally determined contribution under Article 4:
  - a. Indicators to track progress on mitigation co-benefits from adaptation actions and/or economic diversification plans;
  - b. Information on methodologies used;
  - c. Information on mitigation co-benefits resulting from adaptation policies, strategies, measures, actions and/or economic diversification plans and how they contribute to achieving the nationally determined contribution under Article 4;
  - d. Institutional setting, policy, strategy, measures, actions, and stakeholders' engagement.
3. Each Party [shall] also provide information on how it has considered economic and social consequences of response measures, as appropriate, specifically:
  - a. The response measure actions;
  - b. The social and economic consequences from the response measures action;
  - c. Challenges and barriers to address the consequences;
  - d. Actions needed to address consequences.]]

**C.5 Information on achievement of the Party's NDC under Article 4 for the target year/period**

**[Option 5.1:** Placeholder for relevant outputs of APA agenda item 3 on further guidance in relation to the mitigation section of decision 1/CP.21, to be incorporated into the MPGs.]

**[Option 5.2:** This section is not necessary in the MPGs.]

**[Option 5.3:**

1. When a Party's biennial transparency report contains information on the end point/period for its nationally determined contribution under Article 4, the Party [shall][should] provide a quantitative and qualitative assessment of whether the Party has achieved its nationally determined contribution under Article 4, including updated values for each indicator relevant to tracking progress towards the implementation and achievement of its nationally determined contribution under Article 4.
2. Each Party [shall][should] report information in a narrative and tabular format.

3. Parties engaging on a voluntary basis in cooperative approaches that involve the [use of internationally transferred mitigation outcomes][transfer of mitigation outcomes] towards nationally determined contributions [shall][should] provide information consistent with [X/CMA.1, outputs of SBSTA agenda item 12].
4. Parties that include a peak in GHG emissions in their nationally determined contribution under Article 4 [shall][should] provide specific additional information on achievement after the specified peaking year.
5. Parties that included quantified mitigation actions and co-benefits in their nationally determined contribution under Article 4 [shall][should] provide an estimate of the impact of the mitigation actions and co-benefits on greenhouse gas emissions at the end of the target year or period and underlying assumptions.
6. [Each Party [shall][should] provide, if applicable, an assessment of its achievements in implementing adaptation policies and strategies.]
7. Each Party [shall][should] provide, if applicable, information on the implementation of Article 5 of the Paris Agreement and how it contributes to achieving its nationally determined contribution.
8. Each Party [shall][should] provide information on the social and economic impact of response measures.
9. Each Party [shall][should] provide the final accounting balance as a structured summary of all relevant quantified components to assess the achievement of its nationally determined contribution if applicable to the nationally determined contribution by the Party, including:
  - a. Time series of total [net] GHG emissions and removals/sinks;
  - b. Quantified and updated reference levels and/or base year/period and, in the case of peaking emissions and fixed level target, information of the target year;
  - c. Relevant quantified values of indicators/parameters determined by the Party, for the base year until the most recent year, that show achievement of its target;
  - d. As applicable, contribution from and/or adjustments for [use of internationally transferred mitigation outcomes][transfer of mitigation outcomes] in each relevant year of the target period or target years, pursuant to [outputs of SBSTA agenda 12];
  - e. As applicable, contribution from the LULUCF sector for each year of the target period or target year, if not included in the time series of total net GHG emissions and removals, as applicable;
  - f. Any additional relevant quantified parameters for each year of the target period.]

**[Option 5.4:**

1. When a Party's biennial transparency report contains information on the end year or end of the period for its nationally determined contribution under Article 4, the Party [shall][should] provide a qualitative and/or quantitative [as applicable] and assessment of whether the Party has achieved its nationally determined contribution under Article 4, including the most recent information for each selected indicator relevant to tracking progress towards the implementation and achievement of its nationally determined contribution under Article 4.
2. Parties engaging on a voluntary basis in cooperative approaches that involve the use of internationally transferred mitigation outcomes towards nationally determined contributions [shall][should] provide information consistent with [X/CMA.1, outputs of SBSTA agenda item 12].
3. [Placeholder for information on specific NDC types from paragraph 6 below.]
4. For each biennial transparency report that contains information on the end year or end of the period for its nationally determined contribution under Article 4, each Party [shall][should] provide a structured summary of all relevant [qualitative and/or] quantitative[, as applicable,] components to the Party has used to evaluate the achievement of its nationally determined contribution under Article 4, including:
  - a. For each selected indicator [identified in paragraph C.4.1][the Party has used to evaluate the achievement of its nationally determined contribution under Article 4:
    - i. Initial [qualitative and/or] quantitative[, as applicable,] information for the base year, base period, or, baseline;



- ii. Updated [qualitative and/or] quantitative[, as applicable,] information for the base year until end year or end of NDC period, that show achievement of its target.
  - b. Time series of total net GHG emissions and removals, as applicable;
  - c. For each Party participating in cooperative approaches that involve the use of internationally transferred mitigation outcomes towards a nationally determined contribution under Article 4, contribution from and/or adjustments for use of internationally transferred mitigation outcomes in each relevant year of the target period or target years, pursuant to [outputs of SBSTA agenda 12];
  - d. As applicable, contribution from the AFOLU sector for each year of the target period or target year, if not included in the inventory time series of total net GHG emissions and removals, as applicable;
  - e. Any additional relevant quantified parameters for each year of the target period.
5. Each Party [shall][should] report the information corresponding to paragraphs 1-4 above in a narrative and tabular format.
6. Information unique to specific NDC types:
- a. Each Party that includes a peak in GHG emissions in their nationally determined contribution under Article 4 [shall][should] provide specific additional information on achievement after the specified peaking year.
  - b. Each Party that includes quantified mitigation actions and co-benefits in their nationally determined contribution under Article 4 [shall][should] provide an estimate of the impact of the mitigation actions and co-benefits on greenhouse gas emissions at the end of the target year or period and underlying assumptions.
  - c. Each Party that includes activities related to the implementation of Article 5 in its nationally determined contribution under Article 4 [shall][should] provide information on how this contributes to achieving its nationally determined contribution.
  - d. Each Party that includes adaptation in its nationally determined contribution [shall][should] provide an assessment of its achievements in implementing adaptation policies and strategies [if included in APA 3a outcomes].
  - e. Each Party that includes the social and economic impact of response measures in its nationally determined contribution under Article 4 [shall][should] provide information on how this contributes to achieving its nationally determined contribution.]

**C.6 Mitigation policies and measures, actions, and plans, including those with mitigation co-benefits resulting from adaptation actions, related to the implementation and achievement of an NDC under Article 4**

**[Option 6.1:** Placeholder for relevant outputs of APA agenda item 3 on further guidance in relation to the mitigation section of decision 1/CP.21, to be incorporated into the MPGs.]

**[Option 6.2:**

1. Each Party [shall][should] provide updated information on policies and measures [that support the implementation and achievement of its nationally determined contribution under Article 4][that have the most significant impact on greenhouse gas emissions, especially those impacting key categories in the national greenhouse gas inventory]. This information [shall][should] be presented in textual and tabular format. [To the extent possible, Parties shall organise the reporting of mitigation actions by sector (energy, industrial processes and product use, agriculture, LULUCF, waste, other sectors), also indicating the gases addressed.]
2. Each Party [shall][should], as appropriate, provide the following information on its policies and measures, as available, in a tabular format [, organized by sector]:
  - a. Name;
  - b. Description;
  - c. Objectives;
  - d. Type of instrument;
  - e. Status (i.e., planned, adopted, or implemented);

- f. Indicators for assessing progress;
  - g. Sectors affected;
  - h. Gases affected;
  - i. Methodologies and assumptions;
  - j. Sources, sinks, and carbon pools impacted, as relevant;
  - k. Start year of implementation;
  - l. Implementing entity or entities;
  - m. Results achieved;
  - n. Estimate of expected or achieved greenhouse gas emissions reductions [or in the case of policies and measures that are complementary, include a quantitative[, as applicable,] estimate of the aggregate impact of those policies and measures];
  - o. [Costs;]
  - p. [Non-GHG mitigation benefits.]
3. Each Party [shall][should] provide information about how the mitigation actions identified in paragraph 2 interact with each other, as appropriate.
  4. Each Party [shall][should] identify those policies and measures no longer in place compared with the most recent biennial transparency report, and explain why they are no longer in place.
  5. Each Party [shall][should] identify its actions that influence greenhouse gas emissions from international transport.
  6. Each Party [shall][should] provide information about how its policies and measures are modifying longer-term trends in GHG emissions and removals.
  7. [Each Party [shall][should] provide information about the assessment of the economic and social consequences of response measures.]
  8. [Each Party [shall][should] provide information about mitigation co-benefits from adaptation actions and/or economic diversification plans, as appropriate.]
  9. Each Party [shall][should] describe the methodology used to determine the greenhouse gas impact of each policy and measure, to the extent available. This information may be presented in an annex.
  10. [Each Party [shall][should] provide information on institutional, legal, administrative and procedural arrangements established and used for domestic compliance, monitoring, reporting and evaluation of policies, actions and measures, including stakeholders' engagement.]
  11. Each Party [shall][should] also provide, as applicable, a description of policies and measures relevant to achieving the Party's nationally determined contribution under Article 4 that do not have climate change mitigation as their sole focus.
  12. Those developing country Parties that need flexibility in the light of their capacities [may] report on policies and measures for which information is available, unless the implementation of a policy or measure is itself its nationally determined contribution under Article 4, and also should report on barriers and gaps that prevent Parties to provide the required information.
  13. Each Party [shall][should] include information on mitigation actions taken to implement Article 5 of the Paris Agreement.]

**[Option 6.3:**

1. Developed country Parties [shall][should], as appropriate, provide the following information on its policies and measures, as available, in a tabular format:
  - a. Name;
  - b. Description;
  - c. Objectives;

- d. Type of instrument;
  - e. Status (i.e., planned, adopted, or implemented);
  - f. Indicators for assessing progress;
  - g. Sectors affected;
  - h. Gases affected;
  - i. Methodologies and assumptions;
  - j. Sources, sinks, and carbon pools impacted, as relevant;
  - k. Start year of implementation;
  - l. Implementing entity or entities;
  - m. Results achieved;
  - n. Estimate of expected greenhouse gas emissions reductions;
  - o. Costs;
  - p. Non-GHG mitigation benefits.
2. Developing country Parties [may] self-determine the level of detail for reporting policies and measures.
  3. Each Party [shall][should] provide information on how their policies and measures are modifying longer-term trends in GHG emissions and removals.
  4. Developing country Parties [shall][should] also provide information on support received and needed related to policies, actions and measures.
  5. Developing country Parties [shall][should] provide information on the gaps, constraints and barriers related to implementation of policies, actions and measures.]

**[Option 6.4:**

1. Developed country Parties [shall] continue to submit information on policies, actions and measures guided by paragraphs 6 to 8 of the biennial reporting guidelines.
2. Developing country Parties [shall] continue to submit information on policies, actions and measures guided by paragraphs 11 to 13 of the biennial update reporting guidelines.]

**[Option 6.5:**

1. Each Party [shall][should][may] provide information on policies and measures [that support the implementation and achievement of its nationally determined contribution under Article 4].
2. Each Party [shall][should][may], as appropriate, provide the following information on its policies and measures, as available:
  - a. Name;
  - b. Description;
  - c. Objectives;
  - d. Status (i.e., planned, adopted, or implemented);
  - e. Implementing entity or entities;
  - f. Non-GHG mitigation benefits.
3. Each Party [shall][should][may] provide information about the assessment of the economic and social consequences of response measures.

4. Each Party [shall][should][may] provide information about mitigation co-benefits from adaptation actions and/or economic diversification plans, as appropriate.

## **C.7 Summary of greenhouse gas emissions and removals**

**[Option 7.1:** This section is not necessary in the MPGs.]

**[Option 7.2:**

1. Each Party [shall][should] provide a summary of its greenhouse gas emissions and removals. This information [shall][should] be provided for those reporting years corresponding to the Party's most recent national inventory report, in tabular format.
2. Where applicable, and different from paragraph 1, each Party [shall][should] also provide a summary of its greenhouse gas emissions and removals relevant to its nationally determined contribution under Article 4. This information [shall][should] be provided for those reporting years corresponding to the Party's most recent national inventory report, in a tabular format.
3. Each Party [shall][should] also provide information on greenhouse gas emissions per capita and greenhouse gas emissions per GDP, in a tabular format, from the year of its first biennial transparency report to the year in its most recent national inventory report.
4. Each Party [shall][should] provide a description of the factors underlying GHG emissions and removals trends.]

**[Option 7.3:**

1. Developed country Parties [shall][should] provide a summary of national total greenhouse gas emissions and removals from 1990 to the year in its latest national inventory report, using a tabular format.
2. Developing country Parties [shall][should] provide [available] information on total greenhouse gas emissions and/or removals [for years available].]

## **C.8. Projections of greenhouse gas emissions and removals, as applicable**

**[Option 8.1:** Placeholder for relevant outputs of APA agenda item 3 on further guidance in relation to the mitigation section of decision 1/CP.21, to be incorporated into the MPGs.]

**[Option 8.2:** This section is not necessary in the MPGs.]

**[Option 8.3:**

1. Each Party [with a nationally determined contribution containing [XX] [shall][should] provide a 'with measures' projection of all GHG emissions and removals and [should][may] report 'with additional measures' and 'without measures' projection.
2. [A 'with measures' projection shall encompass currently implemented and adopted policies and measures. If provided, a 'with additional measures' projection shall also encompass planned policies and measures. If provided, a 'without measures' projections shall exclude all policies and measures implemented, adopted and planned after the year chosen as the starting points for the projection. If Parties refer to a 'business-as-usual' or 'baseline scenario' in their reporting, they should explain the nature of that projections and whether and which policies and measures were taken into account.]
3. Projections [shall][should] begin from the most recent year in the Party's national inventory report and extend at least 15 years beyond the next year ending in zero or five, [except] for those developing country Parties that need flexibility in the light of their capacities that [shall][should] extend at least to the end point of the Party's nationally determined contribution under Article 4.
4. Each Party [shall][should] describe the methodology used to develop the projections, including information on:
  - a. Models and/or approaches used and key underlying assumptions and parameters used for projections (e.g. GDP growth rate/ level, population growth rate/ level);
  - b. Changes in the methodology since the Party's most recent biennial transparency report;
  - c. Assumptions on policies and measures included in the "with measures" scenario and "with additional measures" scenario, if included;
  - d. Sensitivity analysis for any of the projections, together with a brief explanation of the methodologies and parameters used;

- e. Uncertainty analysis of the projections.
- 5. Each Party [shall][should][may] also provide projections of key indicators to determine progress towards its nationally determined contribution under Article 4 (e.g. emission intensity, hectares reforested, etc.).
- 6. Each Party [shall][should] include projections on a sectoral basis and [by gas][for the following greenhouse gases: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, [NF<sub>3</sub>]] , as well as for the national total, using 100-year global warming potential values from the latest IPCC Assessment Report adopted by the CMA, [except] those developing country Parties that need flexibility in the light of their capacities that [shall][should] provide projections covering sectors and gases included in the Party's nationally determined contribution under Article 4, and key categories of emissions and removals.
- 7. Projections [shall][should] be presented relative to actual inventory data for the preceding years.
- 8. Emission projections [shall][should] be provided with and without LULUCF.
- 9. Projections [shall][should] be presented in graphical and tabular formats.
- 10. Each Party [shall][should] compare the projection with the Party's nationally determined contribution under Article 4, including narrative information on whether the Party is on track towards achieving its nationally determined contribution under Article 4.]

**[Option 8.4:**

- 1. Developed country Parties shall continue to submit projections guided by the existing reporting requirements under the NC and BR. Developing country Parties may submit projections if GHG emissions are an indicator to track progress towards the implementation and achievement of its nationally determined contribution under Article 4.]

**C.9 Information on the Party's accounting under Article 4, paragraphs 13 and 14**

**[Option 9.1:** Placeholder for relevant outputs of the APA agenda item 3 on further guidance in relation to the mitigation section of decision 1/CP.21, on accounting for Parties' NDCs, as specified in paragraph 31.]

**[Option 9.2:**

- 1. Prior to [20XX, consistent with output of APA agenda item 3(c)], each Party [shall][should] clearly indicate its accounting approach, including how it is consistent with paragraphs 13 and 14 of Article 4 of the Agreement.
- 2. Starting [20XX, consistent with output of APA agenda item 3(c)], each Party [shall][should] provide information in [C.4 and C.5] consistent with [X/CMA.1, output of APA agenda item 3(c)]. Each Party [shall][should] clearly indicate how its reporting is consistent with [X/CMA.1, output of APA agenda item 3(c)].
- 3. Each Party [shall][should] present this information in narrative and tabular format.]

**C.10 Information related to Article 6, as applicable**

**[Option 10.1:** Placeholder for relevant outputs of SBSTA agenda item 12 on matters relating to Article 6 of the Paris Agreement.]

**[Principles]**

- 1. Parties engaging on a voluntary basis in cooperative approaches that involve the [use of internationally transferred mitigation outcomes] [transfer of mitigation outcomes] towards nationally determined contributions [shall][should] be guided by the following principles when reporting:
  - a. Avoid double claims for financial flow for market and supports [as determined by relevant outcome under SBSTA agenda item];
  - b. Avoid double counting of international transfers of mitigation outcomes [as determined by relevant outcome under SBSTA agenda item];
  - c. Ensure [transparency, accuracy, completeness, consistency and comparability] [respecting the nationally determined nature of NDCs] when reporting the [use of internationally transferred mitigation outcomes] [transfer of mitigation outcomes] towards a nationally determined contribution under Article 4, or engaging in the international transfer of mitigation outcomes that may be used by another Party towards a nationally determined contribution under Article 4;

- d. Avoid negative social and economic impacts arising from article 6 activities affecting any Party;
- e. The type of NDC does not exclude any party from participating in cooperative approaches.

**[Reporting on ITMOs]**

**[Option 10.1:**

1. Parties engaging on a voluntary basis in cooperative approaches that involve the [use of internationally transferred mitigation outcomes] [transfer of mitigation outcomes] towards nationally determined contributions [shall][should] provide information consistent with [X/CMA.1, outputs of SBSTA agenda item 12].]

**[Option 10.2:**

1. Parties engaging on a voluntary basis in cooperative approaches that involve the [use of internationally transferred mitigation outcomes] [transfer of mitigation outcomes] towards nationally determined contributions [shall][should] provide information consistent with [X/CMA.1, outputs of SBSTA agenda item 12].
2. Parties engaging on a voluntary basis in cooperative approaches that involve the [use of internationally transferred mitigation outcomes] [transfer of mitigation outcomes] towards nationally determined contributions [shall][should] also provide the following:
  - a. Institutional and governance arrangements in place for the [creation,] holding, and transfer of mitigation outcomes that may or have become internationally transferred mitigation outcomes under Article 6;
  - b. [Governance and procedural arrangements that ensure the avoidance of double counting of internationally transferred mitigation outcomes towards nationally determined contributions under Article 4;]
  - c. Information on the [creation and] holding of actual and [intended transfers and] acquisition of internationally transferred mitigation outcomes under Article 6;
  - d. [Information on environmental integrity and sustainable development.]]

**[Option 10.3:**

1. Parties engaging on a voluntary basis in cooperative approaches that involve the [use of internationally transferred mitigation outcomes] [transfer of mitigation outcomes] towards nationally determined contributions [shall][should] provide information consistent with [X/CMA.1, outputs of SBSTA agenda item 12].
2. Parties engaging on a voluntary basis in cooperative approaches that involve the [use of internationally transferred mitigation outcomes] [transfer of mitigation outcomes] towards nationally determined contributions [shall][should] also provide information on transfers and acquisition of internationally transferred mitigation outcomes under Article 6 during the implementation period of the relevant nationally determined contribution under Article 4, consistent with the guidance contained in [X/CMA.1, outputs of SBSTA agenda item 12], including:
  - a. [Agreed units (e.g., ktCO<sub>2</sub>-eq)] [Mega-watt hours of renewable energy;]
  - b. Information on usage for achievement of nationally determined contribution under Article 4, [mitigation under other UN organizations such as ICAO, climate finance, voluntary cancellation;]
  - c. Information on internationally transferred mitigation outcomes held in accounts that have not been used towards meeting a nationally determined contribution under Article 4;
  - d. [Information on the expected share, in percent, of the mitigation outcomes used for achieving the nationally determined contribution under Article 4;]
  - e. Information on the period [and/or year (vintage)] of the internationally transferred mitigation outcomes, with information how those are tracked;
  - f. [Information on whether Parties have fulfilled eligibility criteria for participation, such as information on the national registry and the designated national authority.]]

**[Option 10.5:** Information reported should be similar to information reported under the Kyoto Protocol and in the current biennial reports.]

**[Option 10.6:**

- a. Information in the buffer registry/ account;
- b. Information on the negative social and economic impacts of response measures.]

**C.11. [Other information, where applicable and appropriate]**

1. Each Party [shall][should][may], as appropriate, provide any other information relevant for tracking progress made in implementing and achieving its nationally determined contribution under Article 4.
2. Each Party [shall][should][may] provide information, as appropriate, on low carbon and climate resilient development strategies.
3. Each Party [shall][should][may] provide information on the social and economic impact of response measures.]

**C.12. Capacity-building needs**

[Option 12.1: This section is not necessary in the MPGs.]

[Option 12.2:

1. [Each Party][Developing country Parties] [shall][should] [may] provide a description of any gaps and constraints, and associated financial, technical, and capacity building needs associated with planning, preparing, implementing and tracking progress towards the implementation and achievement of its nationally determined contribution under Article 4.
2. [[Each Party][Developing country Parties] [shall][should] [may] also explain how the provision of capacity-building has resulted in improvements in the quality and transparency of the information to track progress towards the implementation and achievement of its nationally determined contribution under Article 4.]]

**C.13. [Improvement plan][Future areas of improvement]**

[Option 13.1: This section is not necessary in the MPGs.]

[Option 13.2:

1. To facilitate continuous improvement, [each Party,] [the review] where appropriate, [shall][should] [may] [report planned improvements.] [identify areas of improvement for the Party] [In reporting this information each Party] [shall][should] include:
  - a. [Information on improvements made since the Party's previous biennial transparency report;]
  - b. [How the Party intends to enhance its transparency, accuracy, comparability, consistency, completeness, and data quality;]
  - c. [Plans to strengthen institutional arrangements related to Article 13 of the Agreement;]
  - d. [For those developing country Parties that utilize flexibility, an explanation of the Party's use of flexibility, how the Party intends to improve the transparency, accuracy, completeness, consistency, and comparability of its reporting to meet the common modalities, procedures, and guidelines;]
  - e. [When a technical expert review has identified inconsistencies between a Party's reporting and the modalities, procedures, and guidelines, the Party's intended timeline and steps to report these MPGs;]
  - f. [How the Party intends to implement the areas of improvement identified from the technical expert review process.]]

**C.14. Reporting format**

[Frequency]

[Option 14.1:

1. Each Party [shall][should] [Developing countries are encouraged to] [report on progress made] [report on information necessary to track progress] in implementing and achieving NDCs under Article 4 to date biennially.]

[Option 14.2:

1. Developed country Parties [shall][should] report on information necessary to track progress in implementing and achieving NDCs under Article 4 to date annually.

2. Developing country Parties [shall][should] report on information necessary to track progress in implementing and achieving NDCs under Article 4 to date biennially.]]

**[Format]**

1. Each Party [shall][should] [Developing countries are encouraged to] where indicated above, provide information in a textual and/or common tabular formats for description of nationally determined contributions, accounting balance, mitigation actions and projections.
2. [Each Party [shall][should] [Developing countries are encouraged to] provide a standard annotated outline with chapter and section headings. This will include [XX].]

]

]

## **D. Information related to climate change impacts and adaptation under Article 7 of the Paris Agreement, as appropriate**

[

**[Option 1:** Placeholder for outputs of APA item 4 to be incorporated into the MPGs.]

**[Option 2:** Submitting information related to climate change impacts and adaptation under Article 7 is not mandatory, and it is not subject to review, and should be prepared and submitted without creating additional burden on developing country Parties.

Parties, when submitting information related to climate change impacts and adaptation under Article 7, as part of the biennial transparency report (BTR), [shall][should] report on any of the element related to ... placeholder for [some] elements [and sub-elements] of APA item 4 to be incorporated into the MPGs in an overall opt in- opt out approach, and in a manner that is consistent with providing information on Parties' adaptation actions under Article 7, including good practices, priorities, needs and gaps.

Parties may also choose to use other existing guidelines and/or guidance [1] to elaborate the information related to climate change impacts and adaptation as part of the BTR. In presenting their next BTR, Parties may choose not to include the same elements reported in the previous BTR.]

**[Option 3:** All Parties continue with current UNFCCC monitoring, reporting and verification (MRV) requirements to fulfill Article 13 obligations.]

**[Option 4:** All Parties continue with current UNFCCC MRV requirements as a starting point, and move to option 5 below at a later point in time.]

**[Option 5:** Those provisions in option 5 below that apply to “developed country Parties” and “developing country Parties” should be placed under separate headings within separate documents. Further, certain provisions in option 5 that apply to each Party will be placed under both sections.]

**[Option 6:**

### **D.1. Objectives and principles**

**[Objectives]**

**[Option 1.1.1:** No objectives subheading necessary in the MPGs.]

**[Option 1.1.2:** **[Article 13.5]**

1. 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.]



**[Option 1.1.3:**

1. The objectives of these modalities, procedures, and guidelines for providing information related to climate change impacts and adaptation under Article 7 of the Agreement, as appropriate, are to:
  - a. Communicate progress made on priorities, implementation and support needs, plans and actions, and implementation of efforts identified in Parties' adaptation communications;
  - b. Report progress made on priorities, plans and actions, and towards meeting the implementation and support needs and adaptation needs identified by Parties in their adaptation communications;
  - c. Enhance reporting of developing country Parties on:
    - i. Adaptation actions and their effects;
    - ii. Support received, in accordance with national circumstances and capabilities, and in the context of availability of support.
  - d. Enhance implementation, catalyze action, enhance adaptive capacity, strengthen resilience, reduce vulnerability, contribute to sustainable development, and ensure adequate adaptation;
  - e. Enhance arrangements for adaptation and support to ensure balance with mitigation;
  - f. Facilitate understanding of the adequacy and effectiveness of support;
  - g. Provide clarity on support provided to and received by developing countries, including status of funds required and provided to meet the adaptation goal;
  - h. [Provide input to][Inform the] global stocktake to:
    - i. Understand actions, good practices, priorities, needs, and gaps, including by promoting TACCC in reporting;
    - ii. Recognize adaptation efforts of, and costs incurred by, developing country Parties;
    - iii. Review the adequacy and effectiveness of adaptation and support provided for adaptation;
    - iv. Assess/review collective/overall progress towards achieving the global goal on adaptation.
  - i. Facilitate learning, cooperation and support, inter alia, by sharing evidence, good practices, and lessons learned;
  - j. Ensure environmental integrity;
  - k. Inform decisions to enhance implementation and to strengthen the adaptation framework.]

**[Principles]**

**[Option 1.2.1:** No principles subheading necessary in the MPGs.]

**[Option 1.2.2:**

1. The principles guiding these modalities, procedures and guidelines for providing information on climate change impacts and adaptation under Article 7 of the Agreement, as appropriate, are:
  - a. Avoid additional burdens and duplication [on developing country Parties];
  - b. [For developed country Parties][For developing country Parties][For each Party] be flexible, country-driven, nationally determined, consistent with national circumstances, participatory, and gender responsive;
  - c. Not be constrained to a single vehicle or format;
  - d. Enable and guide, not prescribe;
  - e. Provide discretion for LDCs and SIDS;
  - f. Consider vulnerable groups, communities, and ecosystems;
  - g. Not imply that adaptation aspects of the reports of developing country Parties should be part of TER/FMCP;
  - h. Be differentiated in terms of frequency, scope, level of detail, and vehicles for reporting;

- i. For developing country Parties, be linked to information on support received.
2. Capacity-building should be provided to enable LDCs and SIDS to present the costs of meeting their adaptation needs, on the basis of relevant information provided by the LEG.
3. Efforts of developing countries should be recognized and information should feed into the global stocktake to fulfill Article 7, paragraph 14, of the Agreement.]

## **D.2. National circumstances and institutional arrangements**

[**Option 2.1:** There should be one section on national circumstances and institutional arrangements that apply to the MPGs as a whole.]

[**Option 2.2:**

1. Each Party [should] provide the following information, as appropriate:
  - a. Relevant national circumstances, including biogeophysical characteristics, demographics, economy, infrastructure, and information on adaptive capacity;
  - b. Institutional arrangements and governance, including for assessing impacts, addressing climate change at the sectoral level, decision-making, planning, coordination, addressing cross-cutting issues, adjusting priorities and activities, consultation, participation, implementation, data governance, monitoring and evaluation, and reporting;
  - c. Legal and policy frameworks and regulations.]

## **D.3. Vulnerabilities, risks and impacts, and methodologies used**

[**Option 3.1:** Elements under this heading should continue to be reported through national communications, and existing guidelines for national communications can continue to apply.]

[**Option 3.2:**

1. [Each Party][developed country Parties][developing country Parties] [should] provide the following information, as appropriate:
  - a. Current and projected climate trends, results of relevant research and modeling, projections and scenarios used, scope of vulnerability assessments;
  - b. Observed and potential impacts of climate change, key hazards, most vulnerable areas, and economic, social and/or environmental vulnerabilities;
  - c. Approaches, methodologies, tools, including internationally recognized ones, and uncertainties and challenges.]

## **D.4. Adaptation policies, strategies, plans and actions and efforts to integrate adaptation into national policies and strategies**

1. [Each Party][developed country Parties][developing country Parties] [should] provide the following information, as appropriate:
  - a. Information on adaptation goals, actions, undertakings, efforts, plans (e.g. process to formulate and implement NAPs and sub-national plans), strategies, policies, priorities (e.g. priority sectors, and integrated plans for coastal management, water, and agriculture), programmes, and efforts to build resilience.
2. Each Party [should] include the following information, as appropriate:
  - a. Development priorities;
  - b. Co-benefits of adaptation, including mitigation, sustainable development and health co-benefits;
  - c. Economic diversification efforts, and associated mitigation co-benefits;
  - d. How climate change will be mainstreamed or integrated into policies;
  - e. Sustainable management of natural resources;

- f. How participation, best available science, gender perspective, as well as indigenous, traditional, and local knowledge are integrated into adaptation;
- g. Stakeholder involvement, including private sector plans, priorities, actions, and programs.

#### **D.5. Progress on implementation of adaptation**

**[Option 5.1:** No subheading on progress on implementation of adaptation is necessary.]

**[Option 5.2:**

1. Each Party [should] include information on, as appropriate:
  - a. Progress in implementation of adaptation plans, priorities, policies, strategies, objectives, actions, and undertakings and/or efforts towards meeting adaptation needs, including those identified in adaptation communications;
  - b. Coordination activities and changes in regulation, policies, and planning, and progress in integrating adaptation into development efforts.]

**[Option 5.3:**

1. [Developed country Parties][Developing country Parties] [should,] include information on, as appropriate, progress in implementation of adaptation plans, priorities, policies, strategies, objectives, actions, and undertakings and/or efforts towards meeting adaptation needs, including those identified in adaptation communications.
2. Developing country Parties [should] include the following information, as appropriate:
  - a. Implementation of supported adaptation actions, the effectiveness of already implemented adaptation measures, investments in reducing climate risks, including sources (domestic, international, private), and capacity-building activities to integrate adaptation into development planning;
  - b. Steps taken to formulate, implement, publish, and update national and regional programmes with adaptation measures, as well as policy frameworks (e.g. NAPs).
3. Developed country Parties [should] include information on, as appropriate, means of implementation provided to meet adaptation needs, including finance provided to particularly vulnerable Parties and biennial communication of quantitative and qualitative information on projected levels of public finance to be provided to developing countries.]

**[Option 5.4:**

1. Information to track progress on implementation of adaptation, for Parties that choose to include this section, is:
  - a. Progress in implementation of actions (already implemented, own and supported), plans, policies, strategies, undertakings and/or efforts, actions, and associated needs, including information on objectives, time frames and progress made, and outcomes.
  - b. Progress made in relation to steps taken to formulate, implement, publish, update national and regional programmes with adaptation measures; strategies and measures, policy frameworks (e.g. NAPs) and other relevant information.
  - c. Implementation of adaptation actions identified in the previous and current adaptation communication.
  - d. Information on progress in implementing adaptation actions in accordance with the global goal for adaptation, as set out in Article 7, paragraph 1 of the Paris Agreement, including:
    - i. Information provided in monitoring and evaluating of its adaptation actions;
    - ii. Information provided in tracking progress in implementation.]

#### **D.6. Monitoring and evaluation of adaptation actions and processes**

**[Option 6.1:** Information related to monitoring and evaluation of adaptation should only be included in national communications.]

**[Option 6.2:**

1. In terms of monitoring and evaluation of adaptation, each Party [should] include the following information, as appropriate:

- a. Achievements, impacts, resilience, review, effectiveness, and results;
- b. Approaches and mechanisms used, such as for measuring and tracking adaptation finance, and their outputs;
- c. Assessments and indicators for:
  - i. How adaptation increased resilience and reduced impacts;
  - ii. When adaptation is not sufficient to avert impacts;
  - iii. Effectiveness of implemented adaptation measures.
- d. Implementation, in particular on:
  - i. Transparency of planning and implementation;
  - ii. How adaptation is integrated into development and how participation, gender, and indigenous, traditional and local knowledge are integrated into adaptation;
  - iii. How support programmes meet specific vulnerabilities and adaptation needs;
  - iv. How adaptation actions influence other development goals;
  - v. Good practices, experiences, and lessons learned from policy and regulatory changes, actions, and coordination mechanisms.
- e. Review of the adequacy and effectiveness of adaptation actions and support provided.]

**[Option 6.3:**

1. In terms of monitoring and evaluation of adaptation, developed country Parties [should] include the following information, as appropriate:
  - a. Achievements, impacts, resilience, review, effectiveness, and results;
  - b. Approaches and mechanisms used, such as for measuring and tracking adaptation finance, and their outputs;
  - c. Effectiveness of implemented adaptation measures.]

**[Option 6.4:**

1. In order to enhance their adaptation actions and to facilitate reporting, as appropriate, Parties should establish and report on national systems to monitor and evaluate the implementation of adaptation actions. Parties should report on approaches and mechanisms for monitoring and evaluation, including those in place or under development.]

**D.7. Information related to loss and damage**

**[Option 7.1:** No subheading on information related to loss and damage is necessary.]

**[Option 7.2:**

1. In terms of loss and damage, each Party [should] include the following information, as appropriate:
  - a. Extreme weather and slow onset events, non-economic losses, residual damage, and irreversible loss;
  - b. Current and projected impacts, vulnerabilities and risk assessments, national circumstances (e.g. how climate risks impede sustainable development) and institutional arrangements;
  - c. Ongoing and projected loss and damage, and costs to avert and address loss and damage;
  - d. Early warning systems, financial instruments, risk transfer, task force on displacement, and rehabilitation plans;
  - e. Activities to build cooperation and facilitation to enhance understanding, action and support;
  - f. Financial, technology transfer and capacity-building support provided, needed and received.]

**[Option 7.3:**

1. When reporting information related to impacts, Parties are encouraged to include information, as appropriate, on:

- a. Impacts: past and current impacts, including extreme weather events and slow onset events
- b. Adaptation and its limits: adaptation efforts in response to impacts and limits to adaptation
- c. Loss and damage and related costs: past and ongoing loss and damage, including non-economic losses, residual damage, irreversible and permanent loss and damage; associated costs to avert, minimize, and address loss and damage;
- d. Displacement and planned relocation related to climate impacts, including extreme weather events and slow onset events
- e. Responses to loss and damage, including, in so far as relevant:
  - i. The Party's own efforts: Information on actions undertaken in response to loss and damage, institutional arrangements including early warning systems, comprehensive risk management approaches, contingency plans, rehabilitation plans, resources invested and any other information that that the Party considers relevant;
  - ii. International cooperation: Information on activities undertaken to build cooperation and facilitation to enhance understanding, action and support with respect to loss and damage;
  - iii. Financial, technology transfer and capacity-building support needed and, received: Information on quantified resources invested, financial instruments, risk transfer; technology development and transfer activities undertaken (to be reported under sections E and F).]

**[Option 7.4:**

1. When reporting information related to impacts, Parties are encouraged to include, inter alia, the following information, as appropriate:
  - a. Impacts: past, current and projected impacts, including impacts associated with extreme weather events and slow onset events;
  - b. Adaptation to impacts and limits to adaptation: efforts, and associated costs, to avert, minimize and address loss and damage when impacts exceed best efforts to adapt;
  - c. Loss and damage and related costs: past, current and projected loss and damage, and related costs, including non-economic losses, residual damage, and irreversible and permanent loss and damage;
  - d. Responses to Loss and Damage, including, in so far as relevant:
    - i. The Party's own efforts: Information on actions undertaken in response to loss and damage, institutional arrangements, early warning systems, rehabilitation plans, resources invested and any other information that that the Party considers relevant, including on climate-related displacement;
    - ii. International cooperation: Information on activities undertaken on a cooperative and facilitative basis to enhance understanding, action and support with respect to loss and damage, including on climate-related displacement;
    - iii. Financial, technological and capacity-building support provided: Information on quantified resources invested, financial instruments employed, including risk transfer mechanisms; technology development and transfer activities undertaken; capacity-building initiatives.]

**D.8. Adaptation priorities and barriers**

**[Option 8.1:** MPGs on adaptation support needs is covered in section F of the MPGs and therefore this section should only contain adaptation priorities, barriers and costs.]

**[Option 8.2:**

1. Each Party [should] include the following information, as appropriate:
  - a. Domestic priorities and progress towards these priorities;
  - b. Adaptation challenges and gaps and barriers to adaptation;
  - c. Sources invested, financial instruments used, technical capacity-building activities.

**D.9. Cooperation, good practices, experiences, and lessons learned**

**[Option 9.1:**

1. In terms of cooperation, good practices, experiences, and lessons learned, [each Party][developed country Parties][developing country Parties] [should] include the following information, as appropriate:
  - a. Efforts to share information, good practice, experiences and lessons learned, including as they relate to:
    - i. Science, planning and policies relevant adaptation;
    - ii. Policy innovations and pilot and demonstration projects;
    - iii. Integration of adaptation actions into planning at different levels;
    - iv. Cooperation to share information, and strengthen science/institutions and adaptation;
    - v. Area, scale and types of cooperation and good practices;
    - vi. Improving durability and effectiveness of adaptation actions;
    - vii. Helping developing countries identify effective adaptation practices, needs, priorities, support provided and received, and challenges and gaps, in a way consistent with encouraging good practices.
  - b. Strengthening scientific research and knowledge related to:
    - i. Climate, including RSO and early warning systems, to inform climate services and decision-making;
    - ii. Vulnerability and adaptation;
    - iii. Integrating adaptation into policies and financial mechanisms;
    - iv. Monitoring and evaluation.
  - c. Strengthening institutional arrangements for synthesis of information and for technical support and guidance.]

**[Option 9.2:**

1. Parties are encouraged to:
  - a. Share information, experiences and lessons learned from implementation of adaptation actions [planning, policies, innovations, projects, programmes and/or strategies];
  - b. Consider the good practice guidance developed by the Secretariat pursuant to paragraph xx in implementing their adaptation actions and to provide feedback on its usefulness, in order to inform updates of the good practice guidance;
  - c. Cooperate to strengthen scientific institutions that provide information relevant to impacts, adaptation and loss and damage.]

**D.10. Effectiveness and sustainability of adaptation action**

1. Each Party [should] include the following information, as appropriate:
  - a. Ownership, stakeholder engagement, alignment of adaptation actions to national/subnational policies, and replicability;
  - b. Information on results of adaptation actions, and on the sustainability of those results.

**D.11. Recognition of adaptation efforts**

**[Option 11.1:** This section is not necessary in the MPGs.]

**[Option 11.2:**

1. In order to facilitate recognition of adaptation efforts, each Party [should] include information on, as appropriate, integration of adaptation into national systems (e.g. a national registry) and into incentive schemes, to feed into the global stocktake.]

**[Option 11.3:**

1. Developing country Parties should report information on their adaptation actions reported in [section XX] above for the purposes of the recognition of adaptation efforts of developing countries (Article 7.3) to provide inputs to the global stocktake,

taking into account [the modalities developed by the Adaptation Committee and the Least Developed Countries Expert Group pursuant decision 1/CP.21, paragraph 41 - placeholder], for the purposes of recognition of efforts in the global stocktake.]

## **D.12. Reporting formats**

1. Each Party [should] report information consistent with section D of these MPGs:

**[Option 12.1.1:** Biennially. To avoid duplication in reporting, a Party may cross-reference information reported in past biennial transparency reports and/or report changes or updates.]

**[Option 12.1.2:** Biennially. To avoid duplication in reporting, a Party may cross-reference information reported in past biennial transparency reports and/or report changes or updates. Developing country Parties should report on adaptation at a frequency no less than currently under UNFCCC, based on support.]

2. In terms of the relationship between an adaptation communication and reporting under Article 13, paragraph 8:

**[Option 12.2.1:** Biennial transparency reports under Article 13, paragraph 8 are one possible vehicle for an adaptation communication. If a Party submits adaptation information in a biennial transparency report, it should present that information in accordance with the guidance contained in [placeholder for outcome on APA item 4].]

**[Option 12.2.2:** When submitting an adaptation communication as part of a biennial transparency report, Parties [should] clearly identify where the adaptation communication is contained. Information provided in adaptation communications can be used, *inter alia*, to report on progress on efforts.]

**[Option 12.2.3:** The purposes and periodicity of adaptation communication and reporting under Article 13, paragraph 8, are different.]

**[Option 12.2.4:** It is not necessary for the MPGs to define this relationship.]

3. In terms of the relationship between reporting under Article 13, paragraph 8, and national communications:

### **[Option 12.3.1:**

- a. National communications will continue as the primary vehicle for reporting on adaptation efforts every four years.
- b. The guidelines contained in decision 4/CP.5 (for developed country Parties) and decision 17/CP.8 (for developing country Parties), and any relevant revisions should continue to be applied. Parties wishing to report more frequently than every four years can use biennial transparency reports.
- c. Guidance for national communications could be enhanced by adding “Paris layers.”]

**[Option 12.3.2:** National communications should be replaced by NDC implementation reports submitted every 5 years, which would include information on progress on implementation of adaptation.]

**[Option 12.3.3:** It is not necessary for the MPGs to define this relationship.]

4. In terms of the relationship between reporting under Article 13, paragraph 8, and NDCs:

### **[Option 12.4.1:**

- a. Reporting on adaptation components of NDCs should be enhanced;
- b. Adaptation information should be included when submitting, and reporting progress on, NDCs, though this is not mandatory;
- c. **[Option 12.4.1.1:** Information on mitigation co-benefits of adaptation actions and economic diversification could be reported together with progress on NDCs;]

**[Option 12.4.1.2:** Adaptation action resulting in mitigation co-benefits, which would be voluntary, reported under 13.7.b., and relevant to tracking progress of NDCs;]

- d. **[Option 12.4.2.1:** When including adaptation information in an NDC, Parties should use a tabular format.]

**[Option 12.4.2.2:** There is no need for a tabular format for adaptation information.]]

**[Option 12.4.2:** It is not necessary for the MPGs to define this relationship.]

[Option 7: *[Alternate proposal for structure]*

**D.1. Information related to loss and damage**

1. [Option 7.3 and 7.4 in sub-section D.7 above]

**D.2 Progress on implementation of adaptation**

1. [Option 5.4 in sub-section D.5 above]

**D.3 Monitoring and evaluation of adaptation actions and processes**

1. [Option 6.4 in sub-section D.6 above]

**D.4 Cooperation, good practices, experiences, and lessons learned**

1. [Option 9.2 in sub-section D.9 above]

**D.5 Effectiveness and sustainability of adaptation action**

1. [Sub-section D.10 above]

**D.6 Recognition of adaptation efforts**

1. [Option 11.3 in sub-section D.11 above]

**D.7 Reporting formats**

1. [Sub-section D.12 above]

]

]

**E. Information on financial, technology development and transfer and capacity-building support provided and mobilized under Articles 9–11 of the Paris Agreement**

[

[Option 1: All Parties continue with current UNFCCC monitoring, reporting and verification (MRV) requirements to fulfil Article 13 obligations.]

[Option 2: All Parties continue with current UNFCCC MRV requirements as a starting point, and move to option 5 below at a later point in time.]

[Option 3: The provisions in option 5 apply only to developed country Parties.]

[Option 4: Developed country Parties shall apply the provisions in option 5, while other Parties that provide support to developing country Parties may apply the above provisions in option 5 on a voluntary basis with flexibility.]

[Option 5:

**E.1. Objectives and principles**

[Option 1.1: There should be one objectives and principles section that applies to the MPGs as a whole.]

[Option 1.2:

*[Objectives]*

[Option 1.2.1.1: No objectives section necessary in the MPGs.]

[Option 1.2.1.2:

1. 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, of the Paris Agreement, and, to

50



the extent possible, to provide a full overview of aggregate financial support provided to inform the global stocktake under Article 14.]

**[Option 1.2.1.3:**

1. 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, of the Paris Agreement, and, to the extent possible, to provide a full overview of aggregate financial support provided to inform the global stocktake under Article 14.]
2. The objectives of the modalities, procedures and guidelines for providing information on financial, technology development and transfer and capacity-building support provided and mobilized are as follows:
  - a. To compare with information presented by developed countries under Article 9.5;
  - b. To ensure commensurability and that support provided will not substantially differ from support received;
  - c. To enhance transparency of support provided to build mutual trust and promote effective implementation of NDCs.]

**[Principles]**

**[Option 1.2.2.1:** No principles section necessary in the MPGs.]

**[Option 1.2.2.2:**

1. The principles of the modalities, procedures and guidelines for the transparency framework for financial, technology development and transfer and capacity-building support provided and mobilized are as follows:
  - a. To need to ensure that Parties maintain at least the frequency and quality of reporting in accordance with their respective obligations under the Convention;
  - b. The need to promote transparency, accuracy, completeness, consistency and comparability;
  - c. The need to avoid duplication as well as undue burden on Parties and the secretariat;
  - d. The importance of facilitating improved reporting and transparency over time [in the context of Articles 4.5, 9.3, 9.5, 9.7, 11.4 and 13.9 of the Paris Agreement];
  - e. The need to ensure that double counting is avoided.]

**[Option 1.2.2.3:**

1. The principles of the modalities, procedures and guidelines for the transparency framework for financial, technology development and transfer and capacity-building support provided and mobilized are as follows:
  - a. To need to ensure that Parties maintain at least the frequency and quality of reporting in accordance with their respective obligations under the Convention;
  - b. The need to promote transparency, accuracy, completeness, consistency and comparability;
  - c. The need to avoid duplication as well as undue burden on Parties and the secretariat;
  - d. The importance of facilitating improved reporting and transparency over time [in the context of Articles 4.5, 9.3, 9.5, 9.7, 11.4 and 13.9 of the Paris Agreement];
  - e. The need to ensure that double counting is avoided;
  - f. To develop a common cycle for reporting under the transparency framework;
  - g. Financing should not be conditional, and public provision of support needs to be concessional, and to be determined by the grant component in support provided;
  - h. A report should be consistent with reports of other years, in the sense that the same methodologies are used for all years;
  - i. MPGs should build upon, but go beyond, existing modalities for national reporting processes;
  - j. A report should cover all relevant sources, financial instruments, and uses of funds, as well as types and locations of projects;

- k. Support should be provided on the basis of developing country needs and priorities [and gender responsive processes], in line with NDCs, NAPs, NAPAs, adaptation processes, TNAs, etc.;
- l. Tag support for adaptation and mitigation, with a view to achieving a balance between mitigation and adaptation support, in the context of Articles 9.4 and 10.6 of the Agreement;
- m. Mobilization of support reported for a particular project must be accompanied by a clear reporting of the obligation and value of contributions from national financial institutions and national projects.]

## **E.2. National circumstances, institutional arrangements and country-driven strategies**

**[Option 2.1:** There should be one section on national circumstances and institutional arrangements that applies to the MPGs as a whole.]

**[Option 2.2:**

1. Developed country Parties [shall] and other Parties that provide support [should] provide information on the national approach, including institutional arrangements and relevant national circumstances, used for tracking and reporting support provided and mobilized, including:
  - a. A description of the systems and processes used to identify, track, and report on support provided and mobilised;
  - b. How financial support provided to developing country Parties is being scaled up, building from “strategies and approaches” submissions [,in line with Article 9.3];
  - c. How it seeks to ensure that the resources it provides effectively address needs of developing country Parties with regard to climate change adaptation and mitigation;
  - d. Criteria used to determine priority recipients, as applicable;
  - e. Enabling policies that promote finance, technology development and transfer, and capacity-building.]

## **E.3. Underlying assumptions, definitions, and methodologies**

**[Option 3.1:** Placeholder for outputs of the 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 to be incorporated into the MPGs. The below content does not prejudice the negotiations under this SBSTA agenda item, and discussion on the below elements is not necessary until clear guidance from such agenda item is given.]

**[Option 3.2:**

1. In reporting information in accordance with paragraphs [XX] below, developed country Parties [shall] and other Parties that provide support [should] describe the methodology used, with a view to reporting in a rigorous, robust and transparent manner the underlying assumptions and methodologies used to provide information on support, including the following:
  - a. Information on [and agree on common] definitions and methodologies used for reporting on support provided and mobilised [,and in particular to clarify what counts as and should be reported as climate finance, identifying what is new and additional to the ODA, building on the 2014 SCF definition];
  - b. Information on definitions and methodologies related to reporting parameters, such as: channels, currencies including exchange rate applied, purpose, climate-specific, core/general, status, funding source, activity, financial instrument, type of support, [concessionality][,grant equivalent], and sector;
  - c. Information on assumptions used to define and report financial support mobilized;
  - d. Methodology used to identify the technology transfer and capacity-building component of an activity.]

## **E.4. Information on financial support provided and mobilized under Article 9**

**[Option 4.1:** Placeholder for outputs of the 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 to be incorporated into the MPGs. The below content does not prejudice the negotiations under this SBSTA agenda item, and discussion on the below elements is not necessary until clear guidance from such agenda item is given.]

**[Option 4.2:** Placeholder for outputs of the SBI agenda item 15 Matters related to climate finance: identification of the information to be provided by Parties in accordance with Article 9, paragraph 5, of the Paris Agreement]

**[Option 4.3:**

1. Developed country Parties [shall] and other Parties that provide support [should] provide, in [narrative] and/or [tabular] format, information on financial support provided and mobilized under Article 9, including:
  - a. [Information relating to Article 9.5;]
  - b. Support provided pursuant to Articles 4.5, 7.13, 13.14 and 13.15 of the Agreement;
  - c. Information on assistance provided to the most vulnerable countries;
  - d. Information to show how support is new and additional;
  - e. [Information on financial support provided and mobilized with respect to loss and damage.]]
2. Developed country Parties [shall] and other Parties that provide support [should] provide, in [narrative] and/or [tabular] format, information on financial support provided under Article 9, including the information on allocation channels:
  - a. The Global Environmental Facility, the least Developed Countries Fund, the Special Climate Change Fund, the Adaptation Fund, the Green Climate Fund and the Trust Fund for Supplementary Activities;
  - b. Other multilateral climate change funds;
  - c. Multilateral financial institutions, including regional development banks;
  - d. Specialized United Nations bodies;
  - e. Contributions through bilateral, regional and other channels [, as well as other public interventions].
3. In reporting information on financial support provided, developed country Parties [shall] and other Parties that provide support [should], to the extent possible, provide information on:
  - a. The recipient country;
  - b. The amount of financial support provided (domestic currency and its equivalent in USD);
  - c. The financial instrument (grant, loan, other) and/or type of public intervention;
  - d. The sector (OECD classification system);
  - e. The source of funding (ODA, OOF);
  - f. The concessional or non-concessional terms;
  - g. The type of support (mitigation, adaptation, cross-cutting, other);
  - h. The status (committed or disbursed);
  - i. The time frame, or agreement period;
  - j. The mechanisms and institutions involved;
  - k. If the activity includes a capacity-building and/or technology transfer component.
4. Developed country Parties [shall] and other Parties that provide support [should] provide, in [narrative] and/or [tabular] format, information on financial support mobilized under Article 9, in accordance with:
  - a. Elements listed in paragraphs 2.a-e;
  - b. Elements listed in paragraph 3.a-k.

**E.5. Information on technology development and transfer support provided under Article 10**

1. Developed country Parties [shall] and other Parties that provide support [should] provide, in [narrative] and/or [tabular] format, information on technology development and transfer support provided under Article 10, as a description of individual measures and activities related to technology development and transfer implemented or planned since its last report, including:

- a. Qualitative [and quantitative] information on technology support provided along [all][different] stages of technology cycle, including development, measures taken to [promote, facilitate and finance transfer of, access to and the deployments of climate-friendly technologies for the benefit of developing country Parties, for the] support of the development and enhancement of endogenous capacities and technologies of developing country Parties [and for the implementation of Technology framework established under Article 10 paragraph 4 of the Paris Agreement];
  - b. [Categories of information on technology development and transfer support provided based on experience and information from the work done by existing entities of the Technology Mechanism and the implementation of the Technology Framework to establish the structure of the reports of technology development and transfer;]
  - c. Efforts to encourage [private sector activities] related to technology development and transfer, and how they help developing country Parties;
  - d. The [strategy and] approach a Party has taken to support technology development and transfer, including case studies and activities that include available qualitative and quantitative information;
  - e. Efforts to [accelerate,] encourage [and] [enable] innovation, including efforts to undertake research, development and deployment, including efforts to build research capacity for the development of technologies;
  - f. [Earmarking of funding for CTCN, TEC;]
  - g. [Information to show how this support is new and additional;]
  - h. [Information on activities that promote developing endogenous technologies;]
  - i. [Information on support provided with respect to loss and damage.]
2. In reporting such [measures and activities,] developed country Parties [shall] and other Parties that provide support [should], to the extent possible, provided [quantitative] information on:
    - a. The recipient;
    - b. [Title of] measure or activity;
    - c. The target area of mitigation or adaptation [or loss and damage];
    - d. [The sector involved;]
    - e. [Status;]
    - f. The sources of technology transfer from the public and private sectors;
    - g. [Whether the activity was undertaken by the public and private sectors;]
    - h. [The types of technology,] ways [and means] of technology transfer;
    - i. [The benefits, risks and consequences;]
    - j. [The [values,] technology performances and sustainability, replicability, as appropriate;]
    - k. [Undertaking resource and development;]
    - l. [Facilitating simplified access to technology, early stage of technologies].
  3. Qualitative information on policies that facilitate implementation and that operationalize technology transfer on preferential and concessional terms.

#### **E.6. Information on capacity-building support provided under Article 11**

1. Developed country Parties [shall] and other Parties that provide support [should] provide, in [narrative] and/or [tabular] format, information on capacity-building support provided under Article 11, as a description of individual measures and activities, including:
  - a. [How it has provided] capacity-building support that responds to the existing and emerging capacity-building needs [priorities, and gaps] identified by developing country Parties in the areas of mitigation, adaptation, and technology development and transfer[, to the extent possible];
  - b. [Strategy and] approach a Party has taken to provide capacity-building support, including case studies and activities that include available qualitative and quantitative information;
  - c. Enabling policies to promote capacity-building;

- d. [Information to show how this support is new and additional;]
  - e. [Earmarking of [adequate] funding for PCCB and LEG;]
  - f. [Information on support provided with respect to loss and damage;]
  - g. [Information on cooperation activities and support on capacity-building actions in developing countries to promote sharing on lessons learned and best practices.]
2. In reporting such [measures and activities,] developed country Parties [shall] and other Parties that provide support [should], to the extent possible, provide information on:
- a. [The allocation channels;]
  - b. The recipient;
  - c. Title of measure or activity;
  - d. The target area of mitigation or adaptation [or loss and damage];
  - e. The objectives and results achieved;
  - f. [The type of support;]
  - g. [The status (committed or disbursed);]
  - h. The institutional arrangements, mechanisms, effectiveness, and sustainability;
  - i. The knowledge generated, stakeholders involved and their respective roles.

#### **E.7. [Improvement plan][Future areas of improvements]**

**[Option 7.1:** This section is not necessary in the MPGs]

**[Option 7.2:** To facilitate continues improvements each Party where appropriate shall should report planned improvements. In relation to section E of the MPGs.]

#### **E.8. Reporting format**

**[Option 8.1:** Placeholder for outputs of the 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 to be incorporated into the MPGs. The below content does not prejudice the negotiations under this SBSTA agenda item, and discussion on the below elements is not necessary until clear guidance from such agenda item is given.]

**[Option 8.2:**

1. **[Option 8.2.1:** Quantitative financial information on technology transfer and capacity-building to be reported under the financial part of the common tabular format (CTFs), by adding dedicated columns in the form of a tick box. [In addition separate tables on non-financial information of technology development and transfer.]]

**[Option 8.2.2:** Including a tick box might lead to overlapping and double-counting in reporting, so keep quantitative and qualitative reporting separate.]

**[Option 8.2.3:** Only qualitative information provided on technology transfer and capacity-building support provided.]

**[Option 8.2.4:** All reporting obligations from decisions 2/CP.17, 19/CP.18, 9/CP.21 apply under the Paris Agreement, including further revisions adopted by the COP.]

2. Information on financial, technology development and transfer and capacity-building support provided and mobilized under Articles 9–11 of the Paris Agreement in paragraphs [XX] previously to be provided in [narrative format and/or] common tabular format (CTF).]]

]

]

## **F. Information on financial, technology transfer and capacity-building support needed and received under Articles 9–11 of the Paris Agreement**

[

**[Option 1:** All Parties continue with current UNFCCC monitoring, reporting and verification (MRV) requirements to fulfil Article 13 obligations.]

**[Option 2:** All Parties continue with current UNFCCC MRV requirements as a starting point, and move to option 3 below at a later point in time.]

**[Option 3:**

### **F.1. Objectives and principles**

**[Option 1.1:** There should be one objectives and principles section that applies to the MPGs as a whole.]

**[Option 1.2:**

**[Objectives]**

**[Option 1.2.1.1:** No objectives section necessary in the MPGs.]

**[Option 1.2.1.2:** *[Article 13.6]*

1. 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, of the Paris Agreement, and, to the extent possible, to provide a full overview of aggregate financial support provided to inform the global stocktake under Article 14.]

**[Option 1.2.1.3:**

1. 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, of the Paris Agreement, and, to the extent possible, to provide a full overview of aggregate financial support provided to inform the global stocktake under Article 14.
2. The objectives of the modalities, procedures and guidelines for the transparency framework for financial, technology development and transfer and capacity-building support needed and received are as follows:
  - a. To facilitate and assist Parties' reporting on transparency of support needed and received, over time, to implement Articles 9.7, 11.4, 13.10 of the Paris Agreement;
  - b. To provide clarity and commensurability on support needed and received under Articles 9, 10 and 11 of the Paris Agreement;
  - c. To identify gaps in support needed and received by developing country Parties;
  - d. To ensure commensurability and that support provided will not substantially differ from support received.]

**[Principles]**

**[Option 1.2.2.1:** No principles section necessary in the MPGs.]

**[Option 1.2.2.2:**

1. The principles of the modalities, procedures and guidelines for the transparency framework for financial, technology development and transfer and capacity-building support needed and received are as follows:
  - a. To promote the provision of transparent, accurate, complete, consistent and comparable information;
  - b. Support needed and received to be reported in terms of grant equivalents;
  - c. Needs and priorities can be communicated through a wide variety of instruments, such as BRs, NCs, NDCs, NAPs, Adaptation Communications, CTCN, or other assessments under Article 13.10;

- d. Tag support for adaptation and mitigation [and loss and damage], with a view to achieving a balance between mitigation and adaptation support, in the context of Articles 9.4 and 10.6, and how to achieve it;
- e. To provide clear definitions and enhanced guidance and methodologies for reporting processes;
- f. Methodologies, processes and procedures to estimate support needed and received should be clearly explained and the sources of information identified;
- g. Support needed should be determined in a country-driven manner.]]

## **F.2. National circumstances, institutional arrangements and country-driven strategies**

**[Option 2.1:** There should be one section relating to national circumstances and institutional arrangements that apply to the MPGs as a whole.]

### **[Option 2.2:**

1. Developing country Parties [should] provide information on national circumstances and institutional arrangements relevant to reporting on support needed and received, including:
  - a. A description of the systems and processes used to identify, track, and report on support needed and received;
  - b. [A description of national circumstances for attracting climate finance;]
  - c. Information on assumptions, definitions and methodologies. [If information was reported in previous reports, the biennial transparency report should only report changes to this information;]
  - d. [Information on country priorities and strategies[, and on any aspects of a Party's NDC that is conditional on support being provided];]
  - e. [Information on prioritization and programming of domestic budgetary resources;]
  - f. The establishment of national plans and strategies to track and report on support needed and received under Articles 9–11 of the Paris Agreement[, taking into account the implementation of Article 3 of the Paris Agreement;]
  - g. Gaps, constraints and financial needs, including costs to be covered when information is available, [and proposed/implemented activities for their overcoming;]
  - h. [Delivery mechanisms, instruments and allocation channels tracked;]
  - i. [Description of national approaches and institutional arrangements relevant for attracting climate finance;]
  - j. [How it seeks to ensure that the resource it needs or has received will be\have been used to most cost effectively address their needs and priorities with regard to climate change adaptation and mitigation;]
  - k. [A description of the approach used to avoid accounting same finance multiple times.]

## **F.3. Underlying assumptions, definitions, and methodologies**

1. In reporting information in accordance with paragraphs [XX] below, developing country Parties [should] describe the methodology used, with a view to reporting in a rigorous, robust and transparent manner the underlying assumptions and methodologies used to provide information on support needed and received, including the following:
  - a. [Information on assumptions, definitions and methodologies used to track and report support needed and received, including:
    - i. Methodology used to identify the technology transfer and capacity building component of an activity;
    - ii. Convert between domestic currency and USD;
    - iii. Identify and report support as coming from specific sources;
    - iv. Identify and report the amount of co-finance;
    - v. Identify and report support as coming from the specified source of co-finance;
    - vi. Identify and report support at the chosen point of reporting (i.e. committed, received, needed);
    - vii. Identify and report the status of the supported activity (i.e. planned, ongoing, completed);
    - viii. Identify and report the channel (i.e. bilateral, regional, multilateral);

- ix. Identify and report support as being “adaptation”, “mitigation” or “cross-cutting”;
- x. Identify and report support as being “grant”, “concessional loan”, “non-concessional loan”, “equity” “guarantee” or other;
- xi. Identify and report the chosen section and sub-sector;
- xii. Define the activity (example e.g. project, programme);
- xiii. Identify and report support as going to the specified activity;
- xiv. Identify and report whether the specified activity involve finance, technology, and, or capacity-building;
- xv. Identify and report on the amount of actual or expected co-finance;
- xvi. Identify and report finance as being mobilized (example those related to causality, boundaries, time-period).]
- b. Information on assumptions, definitions and methodologies related to reporting on the use, [impact and estimated results] of support;
- c. A clarification of what counts as climate finance support needed and received[, identifying what is new and additional to ODA, building on the 2014 SCF definition];
- d. Information on definitions and methodologies related to reporting parameters, such as: allocation channels, currencies including exchange rate applied, purpose, climate-specific, core/general, status, funding source, activity, financial instrument, type of support, [concessionalty][,grant equivalent], and sector;
- e. How country-specific incremental costs for adaptation and mitigation have been calculated and how a developing country Party has identified the climate-specific portion of an activity and excluded costs associated with general social and economic development;
- f. [Methodology used to identify the technology transfer and capacity-building component of an activity.]

#### **F.4. Information on financial support needed by developing country Parties under Article 9**

1. Developing country Parties [should][may] provide information on financial support needed under Article 9. Information should be reported in [narrative] and/or [tabular] format, including[, to the extent possible]:
  - a. Financial support needed to implement country priorities;
  - b. [Financial support needed for preparation of the biennial transparency report;]
  - c. [How financial support needed will be complemented by finance by domestic resources, and expected private co-financing;]
  - d. [Financial support needed for activities undertaken to build cooperation and enhance understanding, action and support, with respect to loss and damage under Article 8.3 and specifically in relation to the sub-elements in Article 8.4, should be provided [in qualitative and quantitative terms];]
  - e. Sectors for which a country wishes to mobilize finance, existing barriers to mobilization, and which type of financial instrument is most relevant to the sector.
2. Developing country Parties [should][may] provide summary information in [narrative] and/or [tabular] format on financial support needed, including the following [, to the extent possible]:
  - a. The allocation channels;
  - b. [The expected [level of] country/source that will provide such support;]
  - c. The amount of financial support needed (domestic currency and its equivalent in USD);
  - d. [The expected time frame;]
  - e. [The type of instrument expected;]
  - f. [The status of support e.g. committed, partially committed, needed [, disbursed];]
  - g. The sectors[, sub-sector] or areas that need support;
  - h. The type of support (mitigation, adaptation, cross-cutting, [loss and damage, other]);



- i. [The][Whether the activity will contribute to technology development and transfer] capacity-building/technology transfer component, if relevant;
- j. Whether the activity is anchored in a national strategy and/or NDC;
- k. [The programme/project description;]
- l. [The use[, impact and estimated results] [of the support needed (e.g. tons of GHG emissions used, or avoided, policies developed)];]
- m. [Description of how the support contributes to its NDCs and to the long-term goal of the Paris Agreement;]
- n. [Year (i.e. calendar year, fiscal year);]
- o. [Activity (e.g. programme, project);]
- p. [Sources (e.g. country, institution);]
- q. [Amount of expected co-finance (USD);]
- r. [Sources of expected co-finance;]
- s. [Purpose;]
- t. [Financial instrument (e.g. grant, concessional loan, non-concessional loan, equity, guarantee, other (specify));]
- u. [Whether the activity contribute to the technology development and transfer objectives (yes/no);]
- v. [Whether the activity contributed to the capacity-building objectives (yes/no);]

#### **F.5. Information on financial support received by developing country Parties under Article 9**

1. Developing country Parties [should] provide the summary information in a [narrative] and/or [tabular] format on financial support received through different channels, such as:
  - a. [The Global Environmental Facility, including CBIT, the Least Developed Countries Fund, the Special Climate Change Fund, the Adaptation Fund, the Green Climate Fund and the Trust Fund for Supplementary Activities;]
  - b. [Other] multilateral climate change funds;
  - c. Multilateral financial institutions, including regional development banks;
  - d. Specialized United Nations bodies;
  - e. Contributions through bilateral, regional and other channels.
2. Developing country Parties [should][may] provide summary information in a [narrative] and/or [tabular] format on financial support received, including the following [, to the extent possible]:
  - a. The implementing entity;
  - b. The source/ funding institution;
  - c. The amount of financial support received (domestic currency and its equivalent in USD);
  - d. The time-frame of support received;
  - e. The type of instrument (grant, loan, guarantee, equity), including details of the financial instruments, such as: interest rate, term, grace period, payments received on reimbursable financial instruments, when information is available;
  - f. The status of support received [(disbursed or committed)] and status of action;
  - g. The programme/project description;
  - h. The sector [(sub-sector)] or area that received support;
  - i. The type of support (mitigation, adaptation, cross-cutting, [loss and damage,] other);
  - j. [Whether the activity has contributed to][The] capacity-building [/technology transfer] component [objectives];]

- k. [Whether the activity has contributed to the technology development and transfer activities;]
- l. If the results of the support received activity were accounted towards the achievement of the recipient country's NDC;
- m. [Information on the level of support received to enable the preparation and submission of biennial transparency reports;]
- n. [The use, impact and estimated results of support received for climate change activities [,consistent with level of support from developed country Parties and paragraph 94(d) of decision 1/CP21];]
- o. [The co-contributions from domestic sources;]
- p. [The private co-financing mobilized;]
- q. [Year (i.e. calendar year, fiscal year);]
- r. [Activity (e.g. project, programme);]
- s. [Sources of co-financing);]
- t. [Quantitative information on financial support received;]
- u. Channel;
- v. [Information on the use, impact, and estimated result of support (example tons of GHG emissions used, or reduced, or avoided, policies developed).]

**F.6. Information on technology development and transfer support needed by developing country Parties under Article 10**

1. Developing country Parties [should] provide information on [measures and activates related to the approach to enhance] technology development and transfer [with] support needed under Article 10. [Such information may include case studies and activates that include available qualitative and quantitative information], including:
  - a. The approach to enhance technology development and transfer with support needed, including case studies and activities that include available qualitative and quantitative information;
  - b. Planned investment;
  - c. [Measures needed for the access and deployment of climate friendly technologies and for the enhancement of endogenous capacities and technologies;]
  - d. [Information on constraints, gaps, and related technology needs;]
  - e. Information on nationally determined country-specific technology needs, and based on Technology Needs Assessments (TNAs), where applicable [and the reason of need];
  - f. [Information on support needed with respect to loss and damage.]
2. [Developing country Parties [should] provide the summary information in a [narrative] and/or [tabular] format on technology development and transfer support needed, including the following[, to the extent possible]:
  - a. The objective;
  - b. [Stage;]
  - c. The expected time-frame;
  - d. [The expected recipient or beneficiaries;]
  - e. The sector or area that need support;
  - f. [Planned investment, including from domestic and international sources;]
  - g. [The types of technology, ways and means of technology transfer, benefits and risks, consequences, technology performances, sustainability, and replication as appropriate;]
  - h. [The project description, including description of technology needed, and the reason of need;]
  - i. The expected use, [impact and estimated results] [of the support].]

#### **F.7. Information on technology development and transfer support received by developing country Parties under Article 10**

1. Developing country Parties [should] provide information on [measures and activities related to how the Party has used support for enhancing] technology development and transfer [endogenous capacities and know how. Such information may include, case studies and activates that include available qualitative and quantitative information, and narratives on successes and failures related to] support received under Article 10, including:
  - a. How the Party has used the support in the enhancement of technology development and transfer, endogenous capacities and know-how;
  - b. [Technology development and transfer support received with respect to loss and damage;]
  - c. [Technology support received along all stages of the technology cycle, including for development, transfer, deployment and dissemination for climate activities;]
  - d. The key success and failure projects and available qualitative and/or quantitative information.
2. [Developing country Parties [should] provide the summary information in a [narrative] and/or [tabular] format on technology development and transfer support received, including the following:
  - a. The objective, and descriptive information;
  - b. The time-frame;
  - c. The recipient entity;
  - d. [The funding institution;]
  - e. [The implementing entity;]
  - f. [The total amounts of climate finance received;]
  - g. The type of financial instrument used;
  - h. [The source of financial support received;]
  - i. The sector or area that received support;
  - j. [Stage;]
  - k. [Description, including a description of technology, and the reason of need;]
  - l. The use, impact and estimated results thereof;
  - m. [The types of technology, ways and means of technology transfer, benefits and risks, consequences, technology performances, sustainability, and replication as appropriate.]]

#### **F.8. Information on capacity-building support needed by developing country Parties under Article 11**

1. Developing country Parties [should] provide information on capacity-building support needed under Article 11, including:
  - a. The approach a Party seeks to take to enhance capacity-building support, including case studies and activities with available qualitative and quantitative information;
  - b. [Capacity-building support needed with respect to [mitigation and adaptation to avoid] loss and damage;]
  - c. Country-specific capacity-building needs, constraints and gaps in communicating these needs, and an explanation of how the provision of capacity-building support would improve the provision of this information;
  - d. The approach a Party seeks to strengthen the links between regional, national and subnational government policies, plans and actions on climate change development and creation of capacity to analyse, develop and implement climate policy consistent with national development planning and reporting system;
  - e. [Constraints and gaps related to national GHG inventories, projections and tracking of progress of NDCs;]
  - f. Processes for enhancing public awareness, participation and access to information;
  - g. Planned investments;

- h. [The approach a Party seeks to strengthen the link between regional, national, and subnational government policies, plans and actions;]
- i. [Development and creation of capacity to analyse, develop and implement climate policy consistent with national development and reporting systems.]
- 2. [Developing country Parties [should] provide the summary information in a [narrative] and/or [tabular] format on capacity-building support needed, including the following:
  - a. The allocation channels;
  - b. The [indented] recipient/ beneficiaries;
  - c. The objective, and descriptive information;
  - d. The expected time-frame;
  - e. The status;
  - f. The institutional arrangements;
  - g. The type of support;
  - h. The sector or area [the needs];
  - i. The [description including a] description of [capacity-building] support needed [and the reason for need];
  - j. [Planned investment including from domestic and international sources;]
  - k. [The expected use, impact and estimated results [thereof][of support]].]

#### **F.9. Information on capacity-building support received by developing country Parties under Article 11**

- 1. Developing country Parties [should] provide information on capacity-building support received under Article 11, including:
  - a. [Support received for climate activities and preparation of reports under the Paris Agreement;]
  - b. [Support received with respect to loss and damage;]
  - c. The approach a Party has taken to enhance capacity-building by support received, including case studies;
  - d. Implementation of capacity-building support received at national and, where appropriate, at sub-regional and regional levels, including inter alia: options, priorities, participation, the involvement of stakeholders, etc.
- 2. [Developing country Parties [should] provide the summary information in a [narrative] and/or [tabular] format on capacity-building support needed, including the following:
  - a. [Objectives, including an explanation of how capacity-building support helps to enhance domestic capacity;]
  - b. [The allocation channels;]
  - c. The recipient [beneficiaries];
  - d. The implementing entity;
  - e. [The type of support received;]
  - f. The objective, and descriptive information of support received;
  - g. [The total amounts of support received;]
  - h. The time-frame of support received;
  - i. [The type of financial instrument used;]
  - j. Source/funding institution;
  - k. The sector or area that received support;
  - l. The status;

- m. [Investment, including from domestic and international sources;]
- n. The use, impact and estimated results thereof.]

**F.10. Information on support needed and received by developing country Parties for implementation of Article 13 and transparency related activities, including for transparency related capacity-building**

1. Developing country Parties [should] provide information on support needed and received for implementation of Article 13 and transparency related activities, including:
  - a. Information related to the preparation of GHG inventories, tracking of progress with the NDCs, implementation of adaptation actions and reporting on support received;
  - b. Capacity-building for the preparation of the reporting under Article 13 in a transparent manner;
  - c. Qualitative information on improvements of the information reported based on the support received, including summary information tables for previously submitted years;
  - d. Support received to implement the areas of improvement identified by the technical expert review teams.
2. Developing country Parties [should] provide the summary information in a [narrative] and/or [tabular] format on support needed and received for implementation of Article 13 and transparency related activities, including for transparency related capacity-building, [to the extent possible] the following:
  - a. The amount (original currency and USD), in case of financial support;
  - b. The funding source (e.g., GEF, CBIT, bilateral support, or other sources);
  - c. The financial instruments [in grant equivalents];
  - d. The type of support;
  - e. The sector where support is needed, planned activity and expected results;
  - f. The activity/project implemented.

**F.11. [Improvement plan][Future areas of improvements]**

**[Option 11.1:** This section is not necessary in the MPGs.]

**[Option 11.2:** To facilitate continues improvements each Party where appropriate shall should report planned improvements. In relation to section E of the MPGs.

**F.12. Reporting format**

**[Option 12.1:** There should be one reporting format section that applies to the MPGs as a whole.]

**[Option 12.2:** Narrative reporting only.]

**[Option 12.3:** Narrative reporting plus [voluntary use of] common tabular format developed by:

**[Option 12.3.1:** Consultative Group of Experts (CGE).]

**[Option 12.3.2:** SBI.])

]

]

**G. Technical expert review**

[

**[Option 1:** All Parties continue with current UNFCCC monitoring, reporting and verification (MRV) requirements to fulfill Article 13 obligations.]

**[Option 2:** All Parties continue with current UNFCCC MRV requirements as a starting point, and move to option 4 below at a later point in time.]

**[Option 3:** Those provisions in option 4 below that apply to “developed country Parties” and “developing country Parties” should be placed under separate headings within separate documents. Further, certain provisions in option 4 that apply to each Party will be placed under both sections.]

**[Option 4:**

**G.1. Objectives**

**[Option 1.1:** No objectives section necessary.]

**[Option 1.2:**

1. The objectives of the modalities, procedures and guidelines for technical expert review are to:
  - a. Facilitate [a thorough and comprehensive][a] technical expert review pursuant to paragraph 11 of Article 13 of the Agreement;
  - b. Improve the transparency of information provided pursuant to paragraphs 7 and 9 of Article 13 of the Agreement;
  - c. Facilitate improving reporting over time;
  - d. Review the consistency of a Party’s reporting pursuant to Article 13 with these modalities, procedures and guidelines;
  - e. Promote transparency, accuracy, completeness, consistency and comparability;
  - f. Build mutual trust and confidence [in scientific methods] and share good practices and lessons learned;
  - g. Ensure environmental integrity;
  - h. Identify areas of improvement [and facilitate their implementation, recognizing that implementation is nationally determined by Parties, and requires support for developing country Parties];
  - i. Facilitate identification of transparency related capacity building needs for developing country Parties;
  - j. [Improve the quality of data used to design and implement effective domestic policies and measures to achieve nationally determined contributions;]
  - k. Ensure that the CMA and other relevant bodies receive accurate, consistent and reliable information on the implementation of Parties’ nationally determined contributions under Article 4 of the Agreement and the provision of support to developing country Parties under Articles 9, 10, and 11 of the Agreement.]

**[Option 1.3:**

1. For developed country Parties, the objectives of these modalities, procedures and guidelines for technical expert review are to:
  - a. Provide a thorough and comprehensive technical review;
  - b. Facilitate improved reporting over time;
  - c. Facilitate the implementation of the IAR guidelines *mutatis mutandis*.
2. For developing country Parties, the objectives of these modalities, procedures and guidelines for technical expert review are to:
  - a. Increase the transparency of information provided pursuant to paragraphs 7 and 9 of Article 13 of the Agreement;
  - b. Facilitate the implementation of the ICA guidelines *mutatis mutandis*;
  - c. Facilitate identification of transparency related capacity building needs for developing country Parties.]

**G.2. Principles**

**[Option 2.1:** No principles section is necessary.]

**[Option 2.2:**

1. The principles of the modalities, procedures and guidelines for technical expert review are:
  - a. Conducted in a facilitative, non-intrusive, non-confrontational, non-punitive manner, respectful of national sovereignty, and avoid placing undue burden on Parties;
  - b. Open and transparent, detail-oriented and consequential, mindful of the respective national capabilities and circumstances of developing country Parties;
  - c. Review the same information submitted by a Party only once;
  - d. To be a dialogue amongst the reviewers and national specialists and experts;
  - e. Review limited to mandatory requirements and Parties should not be allowed to request that other information be reviewed;
  - f. Information that is unchanged from one transparency report to the next need not undergo technical expert review more than once.]

**[Option 2.3:**

1. For developed country Parties, the principles of the modalities, procedures and guidelines for technical expert review are:
  - a. Conducted in facilitative, non-intrusive, non-confrontational, non-punitive manner, respectful of national sovereignty, and avoid placing undue burden on Parties.
2. For developing country Parties, the principles of the modalities, procedures and guidelines for technical expert review are:
  - a. Conducted in facilitative, non-intrusive, non-confrontational, non-punitive manner, respectful of national sovereignty, and avoid placing undue burden on Parties;
  - b. Depth of review contingent of time of review with respect to when nationally determined contributions were communicated as a form of flexibility.]

**G.3. Scope**

**[Option 3.1:**

1. A technical expert review consists of:
  - a. A review of the consistency of the information submitted by Parties under paragraphs 7 and 9 of Article 13 of the Paris Agreement with these modalities, procedures and guidelines, taking into account the flexibility accorded to the Party under paragraph 2 of Article 13 of the Agreement;
  - b. Consideration of the Party's implementation and achievement of its NDC;
  - c. Consideration of the Party's support provided, as relevant;
  - d. Identification of areas of improvement for the Party related to Article 13 of the Paris Agreement;
  - e. For those developing country Parties that need it in the light of their capacities, assistance in identifying capacity-building needs.
2. The technical expert review shall pay particular attention to the respective national capabilities and circumstances of developing country Parties.
3. Technical expert review teams shall not:
  - a. Make political judgements;
  - b. Review the appropriateness of a Party's nationally determined contribution;
  - c. Review the adequacy of a Party's domestic actions;
  - d. Review of the adequacy of support provided;
  - e. Review whether a developing country Party itself possesses the capacity to implement a provision.]

**[Option 3.2:**

1. For developed country Parties, a technical expert review consists of:
  - a. Assessment of the progress made in implementing and achieving its NDC under Article 4;
  - b. Assessment of progress made in the implementation of methodological and reporting requirements, taking into account national circumstances and capacities;
  - c. Assessment of the transparency, completeness, consistency, accuracy, and timeliness of the national inventory report prepared pursuant to paragraph 7 of Article 13 of the Agreement;
  - d. Examination of the consistency of the reports under the Paris Agreement with information submitted under the Convention with the annual GHG inventory and NC but it will not include in-depth examination of the inventory itself;
  - e. Identification of issues.
2. For developing country Parties, a technical expert review consists of:
  - a. Developing country Parties may participate voluntarily;
  - b. Recommendations depend on capacities of developing countries to implement short and long-term measures to improve their reports;
  - c. Identification of areas of improvement in relation to capacity-building needs, taking into account available domestic capacities and linked with support needed.]

#### **G.4. Information to be reviewed**

1. Information submitted by each Party under paragraphs 7 and 9 of this Article shall undergo a technical expert review. This includes:
  - a. A national inventory report of anthropogenic emissions by sources and removals by sinks of greenhouse gases, prepared using good practice methodologies accepted by the Intergovernmental Panel on Climate Change and agreed upon by the Conference of the Parties serving as the meeting of the Parties to this Agreement;
  - b. Information necessary to track progress made in implementing and achieving its nationally determined contribution under Article 4 [, including information on the social and economic impacts of response measures];
  - c. Information on financial, technology transfer and capacity-building support provided to developing country Parties under Articles 9, 10 and 11 of the Paris Agreement.

#### **G.5. Format and steps, including those related to specific types of information reported under Article 13, and the role of Parties, and the roles and responsibilities of the technical expert review team and the secretariat**

##### **G.5.1. Format**

1. A technical expert review may be conducted as either a [desk review], [centralized review], [in-country review], [simplified review], [or group review].

##### **[Option 5.1.1:**

2. A desk review consists of the review when [the experts will review the information in their own countries].
3. A centralized review consists of the review when [the experts will meet in a single location to review the information of that Party].
4. An in-country review consists of the review when [the experts will visit a Party to review the information of that Party].
5. A simplified review consists of the review when [the Secretariat conducts an assessment to examine the completeness and timeliness of the Party's information,[ as well as a summary of the information provided on action taken to implement the areas for improvement recommended by previous TER]].
6. A [group][XX] review consists of [review conducted on biennial transparency reports of several countries from the same region or sharing similar circumstances. [This is a format applicable only to developing country Parties.]
7. A Party's transparency report [may] be subject to a [simplified][desk] review when:
  - a. A Party's net annual greenhouse emissions fall below [XX] Mt CO<sub>2</sub>-eq;



- b. A Party's annual GHG inventory submission is not due in the same year as the BTR.
- 8. The first BTR in each NDC cycle shall be subject to [centralized][in-country][desk] review.
- 9. The BTR that includes reporting on achievement of its NDC shall be subject to [centralized][in-country][desk] review.
- 10. A Party's BTR [may] be subject to a desk review at most once every third review.
- 11. [Developing country] Parties may request to participate in a group review.

**[Option 5.1.2:**

- 2. A desk review consists of [XX].
- 3. A centralized review consists of [XX]. [A Party's transparency report shall be subject to a centralized review once every [XX] years, [or if the Party's prior technical expert review report contains a recommendation that the subsequent technical expert review be conducted as an in-country review][, except those developing country Parties that need flexibility in the light of their capacities that [may] undergo an in-country review at their discretion.]
- 4. An in-country review consists of [XX]. [A Party's transparency report shall be subject to an in-country review once every [XX] years. Developing countries may request in-country review fully funded, consistent with Article 13.14.]
- 5. If a Party's net annual greenhouse emissions fall below [XX] percent of global greenhouse gas emissions, that Party's transparency report [may] be subject to a simplified review. A simplified review consists of an initial check by the Secretariat of the timeliness and completeness of national greenhouse gas inventory report submissions. A Party is not eligible for a simplified review for those transparency reports that are submitted immediately following the communication of a Party's nationally determined contribution under Article 4, or for those transparency reports that contain information on a Party's achievement of its nationally determined contribution under Article 4.
- 6. Should [a][a developing country Party that lacks capacity to participate in a technical expert review] request it, a Party's transparency report [may] be subject to a peer review in regional groups. A peer review consists of [XX]. A technical expert review team for a peer review shall be composed both of experts from Parties in and outside the region.]
- 7. A Party may self-determine the review format, but shall communicate its decision to the secretariat at least [XX] months prior to the start of a technical expert review.]

**[Option 5.1.3:**

- 1. A developed country Party's technical expert review will be conducted as either a [desk review], [as a centralized review [in line with current procedures]], or [as an in-country review].
- 2. A developing country Party's technical expert review will be conducted as either a [desk review] or [as a centralized review [in line with current procedures]].
- 3. A [developed country][developing country] Party's transparency report shall be subject to a [desk review] at most once every [XX] years.
- 4. A [developed country][developing country] Party's transparency report shall be subject to a [centralized review] at most once every [XX] years, [or if the Party's prior technical expert review report contains a recommendation that the subsequent technical expert review be conducted as an in-country review].
- 5. A [developed country] Party's transparency report shall be subject to an [in-country review] at most once every [XX] years.]

**G.5.2. Procedures/Steps**

**[Option 5.2.1.1:**

- 1. A technical expert review shall commence, within [two][four] months after the submission of the information in [G.4].
- 2. [A technical expert review consists of a two-part process: first, a technical expert review of a Party's national greenhouse gas inventory report, followed by a technical expert review of a Party's transparency report.]
- 3. Prior to a technical expert review, the secretariat shall conduct an initial assessment to examine the completeness and timeliness of the Party's transparency report. The secretariat should [publish][make available to the technical expert review teams] the initial assessment within one month after the submission of the reports.

4. Prior to a [centralized review][in-country review], a technical expert review team will prepare for the review by conducting a desk review of the transparency report under review.
5. The technical expert review team, through the secretariat, may submit questions to the Party with regards to the Party's report.
6. The Party should endeavor to respond to the technical expert review team's questions and provide any additional requested information [within XX days][in a reasonable time]. [Those developing country Parties that need flexibility in the light of their capacities [XX].]
7. During the technical expert review, the secretariat will arrange consultation[s] between the technical expert review team and the Party concerned.
8. At the end of the technical expert review, the technical expert review team will communicate to the Party concerned the draft findings, including preliminary "recommendations" and/or "encouragements."
9. If additional information is requested before or during the technical expert review [week], the Party should make every reasonable effort to provide the information within two weeks after the technical expert review [week]. [Those developing country Parties that need flexibility in the light of their capacities [XX].]
10. The technical expert review team shall, under its collective responsibility, produce a draft technical expert review report to be finalized within [two][three] months after the technical expert review [week].
11. The draft technical expert review report shall be sent to the Party concerned for comment. The Party concerned shall be given [one][three] month[s] from its receipt to provide comments. [Those developing country Parties that need flexibility in the light of their capacities [XX].]
12. The technical expert review team shall produce the final version of the technical expert review report, taking into account the comments of the Party, within [one][three] month[s] of receipt of the comments.
13. The technical expert review team shall make every effort to complete the technical expert review report within [10][12][15] months of the transparency report submission [due] date.

**[Option 5.2.1.2:**

1. For developing country Parties, a technical expert review shall commence within six months after the submission of the information in [G.4].
2. For developed country Parties, prior to a technical expert review, a technical expert review team will conduct a preliminary desk review of the transparency report under review.
3. For developed country Parties, the technical expert review team, through the secretariat, may notify the Party concerned of any questions the team has regarding the information provided in the transparency report.
4. For developed country Parties, the Party under review shall provide the expert review team with information necessary to substantiate and clarify the implementation of their commitments under the Paris Agreement.
5. For developed country Parties, the technical expert review will offer suggestions and advice on how to resolve identified issues, taking into account the national circumstances of the Party under review.
6. For developed country Parties, if additional information is requested during the review [week], the Party should make every reasonable effort to provide the information within two weeks after the review [week].
7. The technical expert review team shall, under its collective responsibility, produce a draft technical expert review report to be finalized within two months after the review [week] for developed country Parties, and within three weeks after the review [week] for developing country Parties.
8. The draft technical expert review report shall be sent to the Party concerned for comment. Developed country Parties may provide comments within one months from its receipt, and developing country Parties may provide comments within three months from its receipt.
9. The technical expert review team shall produce the final version of the technical expert review report, taking into account the comments of the Party, within one month of receipt of the comments for developed country Parties, and within three months of receipt of the comments for developing country Parties.

10. The technical expert review team shall make every effort to complete the technical expert review report within 15 months of the transparency report submission due date for developed country Parties and within 15 months after the submission date of the transparency report for developing country Parties.
11. Developing country Parties shall have flexibility in the deadlines for: responding to questions, providing additional information and commenting in the draft technical expert review report.]

### **G.5.3 Confidentiality**

#### **[Option 5.3.1:**

1. A Party may designate information provided to the technical expert review teams during the review as confidential. In this case, technical expert review teams and the secretariat shall not make the information publicly available. A technical expert review teams' obligation to maintain confidentiality continues after the completion of a technical expert review.]

#### **[Option 5.3.2:**

1. A technical expert review team shall apply the confidentiality provisions contained in paragraph 13 of the Annex to Decision 23/CP.19, and paragraphs 13 and 14 of the Annex to Decision 20/CP.19.]

### **G.5.4. Role of the secretariat**

1. The secretariat shall organize the reviews, including the preparation of a schedule for the review, the coordination of the practical arrangements concerning the review and the provision of administrative support for the technical expert review team.
2. In organizing the review, the secretariat shall coordinate with other relevant UNFCCC measurement, reporting, and verification activities to avoid duplication and placing an undue burden on Parties or the secretariat.
3. The secretariat, under the guidance of the lead reviewers, shall compile and edit the final review reports.
4. The secretariat shall develop review tools and materials [and templates] for review reports under the guidance of the lead reviewers.
5. The secretariat shall design and implement training activities for review experts, including lead reviewers.
6. The secretariat shall facilitate [annual] [biennial] meetings of the lead reviewers.
7. The secretariat, together with the lead reviewers, shall facilitate communication between the Party and the technical expert review team.

### **G.5.5. Role of the Party**

1. The Party concerned should cooperate with the review team and the secretariat and make every reasonable effort to respond to all questions and requests by the technical expert review team for additional clarifying information.

### **G.5.6. Role of the technical expert review team**

1. Participating technical experts, in conducting reviews, shall adhere to these modalities, procedures, and guidelines.
2. The technical expert review team can communicate to the Party concerned preliminary "recommendations" or "encouragements" [related to XX].
3. The technical expert review team shall prioritize identified areas of improvement and provide recommendations that are consistent across the review cycles years and are practical to implement.
4. The technical expert review team can provide suggestions on how to resolve issues identified, taking into account the national circumstances of the Party concerned.
5. Participating technical experts shall serve in their personal expert capacity.

## **G.6. Technical expert review team and institutional arrangements**

### **G.6.1. General**

1. Each transparency report submitted will be assigned to a single technical expert review team.
2. Technical experts shall be nominated by Parties to the Convention to the UNFCCC roster of experts and, as appropriate, by intergovernmental organizations [and non-Party stakeholders].
3. Technical experts shall complete training relevant to the technical expert review.

### **G.6.2. Competences**

1. The secretariat shall select the members of the technical review team in such a way that the collective skills and competencies of the technical expert review teams address the areas under review.

### **G.6.3. Composition**

1. Technical experts shall have recognized competence in the areas to be reviewed.
2. A sub-set of the review team shall be dedicated to reviewing the national greenhouse gas inventory report.
3. For Parties engaging in the transfer of ITMOs, the review team [will] include an expert on markets and for Parties that include AFOLU, or engage in REDD-plus, the technical expert review team [will] include a LULUCF expert.
4. At least one team member should be fluent in the language of the Party under review, to the extent possible.
5. [For developing country Parties, the technical expert review team shall include, as a high priority and to the extent possible, at least one CGE member and up to one third of the TER team.]
6. The secretariat shall select the members of the technical expert review team with a view to achieving a balance between experts from developed and developing country Parties. The secretariat shall make every effort to ensure geographical and gender balance among the technical experts and select a balance of expert with different levels of expertise.
7. The technical expert review team shall include lead reviewers, with one lead reviewer from a developed country Party and one from a developing country Party.
8. Every effort is to be made to select lead reviewers who have participated in previous reviews of Convention or Paris Agreement reporting.
9. Technical experts reviewing a Party's submission shall neither be nationals of the Party under review, nor have participated in preparing the reports of the Party under review, nor be nominated or funded by that Party.
10. Technical experts from developing country Parties and Parties with economies in transition shall be funded according to the existing procedures. Technical experts from other Parties shall be funded by their governments.
11. Two successive reviews of a Party's submission cannot be performed by the same technical expert review team.

### **G.6.4. Lead reviewers**

1. Lead reviewers shall act as co-lead reviewers for the technical expert review teams in accordance with these guidelines. Lead reviewers shall oversee the work of the technical expert review team.
2. [One lead reviewer shall lead those members reviewing the national greenhouse gas inventory report, while the other lead reviewer will lead the members reviewing the other reported information.]
3. Lead reviewers should ensure that the reviews in which they participate are performed according to the relevant review modalities, procedures, and guidelines, and consistently across Parties. They should also ensure the quality and objectivity of the technical expert review and provide for the continuity, comparability, and timeliness of the reviews.
4. Lead reviewers shall ensure that the reviewers have all the necessary information; monitor the progress of the review; coordinate the submission of queries of the review team to the Party under review and coordinate the inclusion of the answers in the technical expert review report; give priority to issues raised in previous technical expert review reports; and provide technical advice to the members of the review team.

5. Lead reviewers shall publish conclusions of lead reviewers' meetings that could be used by Parties as an input for the review of the MPG.

## **G.7. Frequency and timing**

### **[Option 7.1:**

1. **[Option 7.1.1:** Each Party's [annual] national greenhouse gas inventory report and transparency report submitted under Article 13 of the Agreement shall undergo a technical expert review. A Party's [annual] national greenhouse gas inventory report [will][will not] be reviewed separately from that Party's transparency report.]

**[Option 7.1.2:** Each Party's transparency report submitted under Article 13 of the Agreement shall undergo technical expert review.]

**[Option 7.1.3:** Each Party's transparency report submitted under Article 13 of the Agreement shall undergo technical expert review, except those developing country Parties that need flexibility in the light of their capacities that may go through technical expert review every [XX] reports.]

**[Option 7.1.4:** [Only][At least] a Party's transparency report submitted immediately following the communication of its nationally determined contribution under Article 4, and a Party's report containing information on a Party's achievement of its nationally determined contribution under Article 4 will undergo technical expert review.]

**[Option 7.1.5:** Consistent with [G.5.1], the frequency of a Party's technical expert review depends on whether its net greenhouse gas emissions are below [XX] percent of global greenhouse gas emissions, a Party's use of cooperative approaches under Article 6 of the Agreement, and whether recommendations contained in the Party's previous technical expert review report.]

**[Option 7.1.6:** Each Party will be subject to a technical expert review after the Party self-determines that it has adequate time to implement recommended improvements.]

**[Option 7.1.7:** Participation of LDCs in the TER shall be at their discretion. LDCs are strongly encouraged to participate in TER at least once during the implementation period of their NDCs.])

### **[Option 7.2:**

1. Each developed [and developing country] Party's transparency report submitted under the Article 13 of the Paris Agreement shall undergo technical expert review.
2. **[Option 7.2.1:** Developing country Parties' transparency reports shall undergo technical expert review no less than once in every five years.])**[Option 7.2.2:** Developing country Parties may self-determine the frequency of its technical expert review. This frequency is dependent upon the developing country Party receiving agreed full costs to prepare the transparency report.])

## **G.8. Technical expert review report**

### **G.8.1. Structure and elements**

#### **[Option 8.1.1:**

1. A technical expert review report shall contain the results of a technical expert review, consistent with the scope identified in [G.3].]

#### **[Option 8.1.2:**

1. A technical expert review report shall be as concise as possible and the review team shall make every effort that to ensure that the report does not exceed [XX] pages.
2. The technical expert review report shall follow the outline [adopted by Parties under SBSTA as per decision [XX], [including standardized tables and checklists] [attached to these MPGs].
3. Technical expert review reports prepared by the technical expert review teams shall include the following elements:
  - a. [For developed country Parties,] an introduction and a summary;
  - b. A technical review of the elements specified in these MPGs, presented together with the relevant recommendations and/or encouragements;

- c. A review of the accuracy of the data reported;
  - d. [For developed country Parties,] a review of the progress towards implementation and achievement of its nationally determined contribution;
  - e. For those developing country Parties that need flexibility in the light of their capacities, assistance in identifying capacity-building needs in order to facilitate reporting;
  - f. [For developed country Parties,] a description of elements reviewed;
  - g. [For developed country Parties,] a description of potential issues and an assessment of efforts made to address any potential issues identified by the expert review team;
  - h. Recommendations for improvements in reporting;
  - i. [For developed country Parties,] sources of information used in the formulation of the technical expert review report.]]
4. An initial status report [for simplified review] prepared by the secretariat shall:
- a. Indicate the date of receipt of the biennial transparency report by the secretariat;
  - b. Include a check of whether the submission is complete, identifying any gaps in the reported information.

### **G.8.2. Reporting**

- 1. Technical expert review reports shall be made publicly available on the UNFCCC website.
- 2. Technical expert review reports shall be forwarded to:
  - a. The Party concerned;
  - b. The global stocktake under Article 14 of the Agreement;
  - c. [The Committee under Article 15 of the Agreement;]
  - d. The subsidiary bodies; and
  - e. The CMA, as appropriate.
- 3. [For developed country Parties,] lead reviewers, with the support of the secretariat, shall collectively prepare an annual report to the SBSTA containing suggestions on how to improve the quality, efficiency and consistency of the reviews.]

]

]

## **H. Facilitative, multilateral consideration of progress**

[

**[Option 1:** All Parties continue with current UNFCCC monitoring, reporting and verification (MRV) requirements to fulfill Article 13 obligations.]

**[Option 2:** All Parties continue with current UNFCCC MRV requirements as a starting point, and move to option 4 below at a later point in time.]

**[Option 3:** Those provisions in option 4 below that apply to “developed country Parties” and “developing country Parties” should be placed under separate headings within separate documents. Further, certain provisions in option 4 that apply to each Party will be placed under both sections.]

**[Option 4:**

### **H.1. Objectives**

**[Option 1.1:** No objectives subheading necessary.]

**[Option 1.2:**

- 1. The objectives of these modalities, procedures and guidelines for a facilitative, multilateral consideration of progress are to:

- a. Consider Parties' efforts under Article 9 and its respective implementation and achievement of its nationally determined contribution;
  - b. Promote transparency, accuracy, completeness, consistency and comparability;
  - c. Facilitate improved reporting over time and the sharing of experiences, lessons learned and best practices amongst Parties [and registered Observers]; and
  - d. [Build trust and confidence amongst Parties regarding each Party's respective implementation of the Paris Agreement.]
2. A facilitative, multilateral consideration of progress will operate in a manner that is facilitative, non-intrusive, non-punitive, respectful of national sovereignty, in an open and transparent manner, and that builds trust and confidence among Parties, whilst ensuring environmental integrity and avoiding double counting.]

**[Option 1.3:**

1. A facilitative, multilateral consideration of progress will operate in a manner that is facilitative, non-intrusive, non-punitive, respectful of national sovereignty, in an open and transparent manner, and that builds trust and confidence among Parties, whilst ensuring environmental integrity and avoiding double counting.]

## **H.2. Scope**

**[Option 2.1:**

1. A facilitative, multilateral consideration of progress is with respect to efforts under Article 9 and a Party's respective implementation and achievement of its nationally determined contribution.]

**[Option 2.2:**

1. A facilitative, multilateral consideration of progress is with respect to:
  - a. [Each Party's][Developed country Parties'] efforts under Article 9, including financial support provided and mobilized through public interventions to developing country Parties;
  - b. [Each Party's][Developed country Parties'] respective implementation and achievement of its nationally determined contribution, including emissions, removals, participation in voluntary cooperation under Article 6, assumptions, conditions, and methodologies related to the attainment of its nationally determined contribution;
  - c. Each Party's information on climate change impacts and adaptation under Article 7, upon request of the Party;
  - d. [For each Party, all thematic areas of the Paris Agreement, including mitigation, adaptation, loss and damage, and support];
  - e. Special considerations for LDCs and SIDS.]

## **H.3. Information to be considered**

1. The information to be considered will include:
  - a. Relevant information submitted by a Party under Article 13 [paragraphs 7, 9 and 10] [, including information submitted by a Party pursuant to paragraph 8 of Article 13 of the Agreement that is relevant to Article 9 of the Agreement];
  - b. The Party's technical expert review report, [if available]; and
  - c. Any additional information provided by the Party for the purposes of the facilitative, multilateral consideration of progress.

## **H.4. Format and steps, including events to be convened, the roles of Parties and the secretariat**

1. A facilitative, multilateral consideration of progress will include two phases: a written question and answer phase, followed by a workshop phase.
2. The written question and answer phase will consist of the following steps:
  - a. Any Party[, relevant stakeholders][and registered observers] may submit written questions to the Party concerned, consistent with the scope identified in H.2 above;

- b. Such questions shall be submitted through an online platform no later than three months prior to the workshop;
  - c. The Party in question will [make best efforts to] respond in writing to the questions no later than [XX] month[s] prior to the workshop through the online platform. [However, those developing country Parties that need flexibility in the light of their capacities [may] submit written responses up to [XX] week[s] prior to the workshop.][Developing country Parties may respond to written questions at their discretion];
  - d. A Party may respond to questions received within [XX] weeks of the workshop at its discretion;
  - e. A Party may indicate in its response if it believes a written question is outside the scope of a facilitative, multilateral consideration of progress.
3. The workshop phase shall take place [**Option 4.1:** during SBI sessions][**Option 4.2:** during SBI sessions or through an online platform][**Option 4.3:** back-to-back with UNFCCC sessions] and consist of the following steps:
    - a. A presentation by the Party;
    - b. A discussion session focused on the Parties' presentation, along with the information identified in section H.3 previously;
    - c. All Parties may participate in the discussion session and raise questions;
    - d. Relevant stakeholders, and registered Observers may observe [and raise questions] during the workshop;
    - e. A Party may provide additional written responses to questions raised during the workshop in writing within [X] days following the session.
  4. Any two or more [Parties][developing country Parties] may choose to participate in a facilitative, multilateral consideration of progress as a group of Parties.
  5. The Secretariat will coordinate the practical arrangements for a facilitative, multilateral consideration of progress, including the establishment and maintenance of the online question and answer platform.

#### **H.5. Frequency and timing**

1. As set forth in paragraph 11 of Article 13 of the Agreement, each Party shall [and developing country Parties may] participate in a facilitative, multilateral consideration of progress with respect to efforts under Article 9, and its respective implementation and achievement of its nationally determined contribution.
2. LDCs and SIDS may choose to participate in a facilitative, multilateral consideration of progress at their discretion [and are encouraged to participate every [xx] years].
3. [Participation in a facilitative, multilateral consideration of progress is dependent on support from developed Parties for preparing the reports, which is the input to the facilitative, multilateral consideration of progress.]
4. A facilitative, multilateral consideration of progress will take place:

##### **[Option 5.1:**

**[Option 5.1.1:** every [2][5] years.]

**[Option 5.1.2:** after the completion of the NDC period.])

##### **[Option 5.2:**

**[Option 5.2.1:** once every two submissions of a Party's transparency report.]

**[Option 5.2.2:** after every transparency report [for developed country Parties, and nationally determined for developing country Parties that need flexibility in the light of their capacities.])

**[Option 5.2.3:** after a Party submits its transparency report containing information on achievement of its nationally determined contribution.])

**[Option 5.3:** A written question and answer phase to be triggered by each submission of a Party's transparency report and the workshop phase every 5 years.]

5. A facilitative, multilateral consideration of progress will [commence][be completed][within [four][six][twelve] months of the submission of a Party's transparency report.][within [XX] months after the completion of the technical expert review report.]



6. If a Party [fails to][does not] submit a biennial transparency report within [XX] months of the due date identified in [X/CMA.1], the secretariat will make arrangements for the Party to participate in a facilitative, multilateral consideration of progress at the next available opportunity.

#### **H.6. Summary report content and format**

1. Within [XX] days of the workshop, the secretariat will prepare and publish on the UNFCCC website a record of a facilitative, multilateral consideration of progress, which will include:
  - a. Questions submitted and responses provided;
  - b. A copy of a Party's presentation;
  - c. A video recording of the workshop, where available; and
  - d. A procedural summary of a Party's facilitative, multilateral consideration of progress prepared by the secretariat[, including possibilities of collaboration and/or improvements identified during the process].
2. **[Option 6.1:** The SBI will forward conclusions to relevant bodies under the Paris Agreement based on the record referred to in paragraph [XX] above.]

**[Option 6.2:** For developed country Parties, the SBI will forward conclusions to relevant bodies under the Paris Agreement based on the record referred to in paragraph [XX] above. The SBI will take note of developing country Parties' summary reports.]

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## Revised additional tool under item 6 of the agenda

### Matters relating to the global stocktake referred to in Article 14 of the Paris Agreement: (a) identification of the sources of input for the global stocktake; and (b) development of the modalities of the global stocktake

#### Informal document by the co-facilitators

##### *Final iteration*

1. This note captures the progress of Parties' work under this agenda item. The note was prepared, under their own responsibility and under the guidance of the APA Co-Chairs, by the co-facilitators of the negotiations on this item, Mr. Xolisa Ngwadla (South Africa) and Ms. Outi Honkatukia (Finland).
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.
3. Brackets have been used to indicate streamlining possibilities. They do not indicate the strength of agreement on an option or paragraph.

## Contents

	Page
I. Modalities.....	2
Overarching elements.....	2
Activity A - [Preparatory phase][Information gathering and compilation] [Technical input] .....	6
Activity B - [Technical phase][Technical consideration of inputs, take stock assess collective progress and prepare outputs][Technical consideration].....	7
Activity C - [Political phase][Consideration of outputs][Closure of the GST - Outcome] .....	9
II. Sources of input.....	10
Appendix: Non-exhaustive list of proposed specific thematic guiding questions for the GST .....	12

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## I. [Modalities]

### Overarching Elements

[Guiding...]

*Pp1* [Recalling][Reaffirming] Articles 14 and [2][2.1]

**Option 1:** of the Paris Agreement and decision 1/CP.21, paragraphs 99–101,

**Option 2:** and other relevant articles of the Paris Agreement and paragraphs of decision 1/CP.21,

**Option 3:** 4, 7, 8, 9, 10 and 13 of the Paris Agreement and decision 1/CP.21, paragraphs 41, 45, 99–101,

**Option 4:** 3, 4, 7, 8, 9, 10, 11 and 13 of the Paris Agreement and decision 1/CP.21, paragraphs 41, 45, 99–101,

**Option 5:** and other relevant articles of the Paris Agreement, including 4, 7, 9, 10, and 13 and decision 1/CP.21, paragraphs 33, 34, 70, 99–101,

**Option 6:** Article 4, paragraph 9, Article 7, paragraph 14, Article 9, paragraph 6, Article 10, paragraph 6, and Article 13, paragraphs 5 and 6 of the Paris Agreement and decision 1/CP.21, paragraphs 99–101,

*Pp2* **Option 7:** Also recalling Articles 4, 7, 9, 10 and 13 of the Paris Agreement and decision 1/CP.21, paragraphs 99–101,

*Pp3* Further recalling that the global stocktake will consider relevant principles and characteristics and will be conducted in the light of equity, sustainable development, efforts to eradicate poverty and the best available science,

*Pp4* Recognizing that the GST is a crucial element of the ambition mechanism to increase ambition on action and support towards achieving the long-term global goals of the Paris Agreement [in a nationally determined manner], [in the context of Article 4, paragraphs 4 and 5, and other relevant articles],

[Equity]

1. *Agrees* that

**Option 1:** the GST will give full consideration to equity in terms of process, themes and outcome (mitigation, adaptation and means of implementation and support, [loss and damage, response measures and economic diversification, finance flows...]) [ and cross-cutting aspects][ in a cross-cutting manner to reflect the linkage between action and support] and will be informed by the best available science;

**Option 2:** *Recalls* that the Paris Agreement will be implemented to reflect equity and the principle of common but differentiated capacities, in the light of different national circumstances pursuant to Article 2, paragraph 2, and that the GST will be conducted in the light of equity and the best available science pursuant to Article 14, paragraph 1;

2. *Agrees* that equity will inform how Parties will consider fairness and ambition, in a nationally determined manner, in their [nationally determined contributions][actions and support] in accordance with the relevant provisions of the Paris Agreement towards achieving its purpose and long-term goals;

3. *Agrees* that the GST is an opportunity to work towards [a shared vision on] [operationalization of] equity [in each element or activity of the GST][ and the principle of common but differentiated responsibilities and respective capabilities in the light of different national circumstances];

**Option 3:** (no text)

4. *Agrees* that the GST will be conducted by the CMA in an effective and efficient manner, avoiding duplication of work, taking into account the results of relevant work conducted under the Convention, the Paris Agreement and the Kyoto Protocol;

**Option 1:**

5. *Decides* that the GST will be conducted with the assistance of the SBI and the SBSTA[, which will establish a joint contact group on this matter];

**Sub-option 1.1:** The joint contact group will be supported by a technical dialogue, where Parties and other relevant providers of inputs will consider the inputs from each thematic area on a thematic basis. The technical dialogue process will have its own [co-facilitators][Co-Chairs], who will be responsible for conducting it and preparing the outputs of the *Activity B* under the guidance of the joint contact group. Technical workstreams for mitigation, adaptation and means of implementation and support, taking into account loss and damage, response measures and economic diversification, will be established during the technical dialogue in *Activity B* of the GST to undertake round tables, workshops or other activities;

**Sub-option 1.2:** Three [technical] workstreams (mitigation, adaptation, [finance flows] and means of implementation and support) are established under the guidance of the SBSTA and the SBI, each assessing one of the long-term goals of the Paris Agreement as stated in Articles 2.1(a–c), 4.1 and 7.1). Within those, cross-cutting issues can be addressed;

**Sub-option 1.3:** Technical dialogues comprised of the expert consideration of inputs and organized into three streams that are focused on:

- a) The long-term temperature goal contained in Article 2.1(a) and Article 4.1 of the Paris Agreement;
- b) The long-term goal on adaptation contained in Article 2.1(b) and the global goal on adaptation contained in Article 7.1 of the Paris Agreement;
- c) Finance flows and the long-term goal contained in Article 2.1(c) of the Paris Agreement and means of implementation and support;

**Sub-option 1.4:** One workstream (Structured Expert Dialogue) is established under the SBSTA and the SBI to address all GST matters;

**Sub-option 1.5:** supported by a technical dialogue under which all thematic areas will be considered;

**Option 2:**

5. *Decides* that the GST will be conducted with the assistance of the SBI and the SBSTA, which will establish a joint contact group on this matter. The joint contact group will be supported by [one][three] [technical] [thematic] [dialogues][workstreams] that are further elaborated in paragraphs 39 below under Activity B;

**Option 3** (paragraphs 5 and 6):

5. *Decides* that the global stocktake will be chaired by a high-level committee consisting of the Presidencies, the Chair of the SBSTA and the Chair of the SBI;
6. *Also decides* that the high-level committee referred to in paragraph 5 above shall organize the work into three workstreams around the three long-term goals of the Paris Agreement;
7. The global stocktake will be further supported by expert inputs as identified in the sources of input for the global stocktake;

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[Guidance]

8.

**Option 1:** *Agrees* that substantive guidance for the global stocktake will be provided by [the Chairs of the SBSTA and the SBI][the joint contact group][Parties] [constituted bodies and forums and other institutional arrangements under subsidiary bodies and/or serving the Paris Agreement] for the [workstreams][thematic round tables][, or others];

**Option 2:** *Invites* the [SBSTA][SBI] to develop guidance on what kind of input is to be considered, how to prepare, compile, synthesize and technically consider it; who will do it and by when;

**Option 3:** (Para 9 streamlined with the guidance for *Activity A* (paragraphs 32 to 34) and for *Activity B* (paragraphs 41 and 42))

9. *Agrees* that the conduct of the activities of each GST will be guided by the following general questions: where are we; [how did we get here;] where do we want to go; and how do we get there [in a comprehensive, facilitative and nationally determined manner]?

10. *Agrees* that the GST will be further guided by specific thematic questions

**Option 1:** contained in the appendix.<sup>1</sup>

**Option 2:** to be developed by [a process that will be established][the co-facilitators][ the SBI and the SBSTA], no later than three SB sessions prior to the CMA session in 2023 and five years thereafter;

**Option 3:** (no text because guidance is provided in paragraph 41)

[Structure (phases/activities)]

11. *Agrees* that the GST process will consist of:

a) *Activity A* – [a preparatory phase] [information gathering and compilation] [technical input];

b) *Activity B* – [a technical phase][technical consideration of inputs, take stock, assess collective progress and prepare outputs][technical consideration];

c) *Activity C* – [a political phase][consideration of outputs][closure of the GST – outcome partially overlapping/running in parallel/sequential];

[Timing and duration]

12.

**Option 1:** The GST will start in year YYYY, and every five years thereafter;

**Option 2:** The GST will be allocated adequate time to be conducted in a comprehensive manner with fixed milestones along the way to ensure completion of each GST;

**Option 3:** The GST is a process lasting

**Sub-option 3.1:** for more than six months and less than one year;

**Sub-option 3.2:** at least [one][two] years before the relevant CMA;

**Sub-option 3.3:** 12 to 18 months;

**Sub-option 3.4:** not more than six months in total and should be kept to a minimum;

**Sub-option 3.5:** (no text)

**Option 4:** The GST will be short;

**Option 5:** *Activity A* will start at the SB or the CMA in 2021 and continue every five years thereafter. In *Activity B*, a [technical][Global Stocktake] Expert Dialogue will take place in session, in conjunction with the CMA in 2021 or SBs in 2022, and continuing every five years thereafter. *Activity C* will take place at the CMA in 2023, when the GST concludes, and every five years thereafter;

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<sup>1</sup> The appendix is an integral part of this note.

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**Option 6:** A call for inputs will be issued in May 2022, the compilation and synthesis will be carried out in July 2022, and *Activity B* will begin at CMA 2022 and will be followed by *Activity C* at CMA 2023. These will take place every five years thereafter;

**Option 7:** *Activity A*, for preparing and/or collecting inputs for the global stocktake, will begin at least 24 months or four sessions before the CMA in 2023 and will continue every five years thereafter. *Activity B* will begin at least 12 months, or two sessions before the CMA in 2023 and continue every five years thereafter. *Activity C* will take place during the CMA in 2023 and every five years thereafter;

*[Support for effective and equitable participation]*

**Option 1:**

13. The GST will be a Party-driven process conducted in a transparent manner [and with the active participation of non-Party stakeholders] throughout the process;

14. To support the effective and equitable participation, an online platform (GST Platform) will be established to ensure full accessibility to all inputs;

15. Provision of adequate funding for the participation and representation of [eligible] developing countries in all activities under the GST, meetings, technical dialogues, workshops, round tables and sessions of the subsidiary bodies and CMA that are part of the GST process and uptake of relevant GST information;

16. Developed country Parties [are invited to mobilize][must take the lead in ensuring the mobilization of] capacity-building support for effective participation by the LDCs, SIDS and other developing countries;

**Option 2:** (paragraphs 13-16 are addressed under the UNFCCC arrangements for intergovernmental meetings and the budget of the secretariat)

*[Outputs]*

17. The outputs of the global stocktake should lead to the outcome identified in Article 14, paragraph 3 of the Paris Agreement. They should identify gaps in collective progress and how they will be closed in the light of equity and the best available science, as well as lessons learned and good practices. This includes outputs of *Activities A, B and C*;

18.

**Option 1:** The outputs should focus on the stocktake of the implementation of the Paris Agreement to assess collective progress, have no individual Party focus, include non-policy prescriptive consideration of collective progress that Parties can use to inform the updating and enhancement of their successive climate actions and support and further international cooperation;

**Option 2:** (no text – this would be reflected in the guidance for preparing reports)

*[Adjustment of modalities]*

19. The CMA will refine procedural and logistical elements of the overall global stocktake process on the basis of experience gained[, including from the 2013–2015 review/periodic review under the Convention, 2016 facilitative dialogue, pre-2020 discussion and the Talanoa Dialogue, as applicable], to be agreed by all Parties after the first and subsequent global stocktakes;

*[Post GST / during the ambition cycle events]*

20. *[Invites Parties to submit their nationally determined contributions at a special event organized by the Secretary General of the United Nations;]*

21. *Recognizes that other related events outside the UNFCCC can contribute to the global stocktake and the implementation of its outcome [placeholder for including a political process to monitor implementation of the output of the global stocktake over a five-year period];*

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**Activity A<sup>2</sup>- [Preparatory phase][Information gathering, and compilation][Technical input]**

*[Aim]*

22.

**Option 1:** The *Activity A* should focus on gathering, compiling [and synthesizing] the information for the global stocktake;

**Option 2:** (no text)

*[Timing and duration]*

**Option 1:**

23. The *Activity A* should allow for adequate time with a deadline for preparing the inputs;

24. The *Activity A* should

**Option 1:** start in [2020][2021][2022][2023] and continue every five years thereafter, and should end no later than [six][X] months before the CMA in 2023 to ensure timely consideration of inputs, unless critical information that requires consideration emerges after the cut-off date;

**Option 2:** (no text - this is included in paragraph 12)

*[Preparing inputs]*

*[Management of inputs]*

25. *Invites* Parties and information providers to gather and compile the information sources identified for the global stocktake, taking into account the information needs referred to in paragraph 58, the guidance for identifying sources of information referred to in paragraph 61 and the overall and specific thematic questions for the global stocktake referred to in paragraphs 9 and 10;

*[Call for inputs]*

26. *Calls* for the inputs, referred to in paragraphs 58 and 59 below, well in advance for consideration in *Activity B*. The information should be submitted [one][two] months before their consideration in *Activity B*;

27. Parties [and non-Party stakeholders] would be able to upload their submissions online on the [GST platform][UNFCCC website];

28. *Invites* the [joint contact group of the SBSTA and SBI][the Chairs of the SBSTA and SBI], beginning at least 6-24 months or one-four sessions before the CMA in 2023 and continuing every five years thereafter, to compile the most up-to-date sources of input, as identified in paragraph 59 below, in preparation for *Activity B* of the global stocktake.

29. [Requests the secretariat to prepare synthesis reports on:

a) The aggregated greenhouse gas emissions communicated by Parties in their national inventory reports and biennial transparency reports;

b) The overall effect of the nationally determined contributions communicated by Parties and the overall progress made by Parties towards the implementation of their NDCs;

c) The long-term low greenhouse gas emission development strategies pursuant to Article 4.19 and decision 1/CP.21, paragraph 35, presented in an aggregated format;

d) The means of implementation and support provided and received as reported under Article 13 of the Paris Agreement;]

30. *[Requests* the secretariat to prepare, under the guidance of the Adaptation Committee and Least Developed Country Expert Groups, a synthesis report on the state of [climate change impacts,] adaptation efforts, support experiences and priorities [and needs] from the

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<sup>2</sup> Can be combined with *Activity B*.

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adaptation communications referred to in Article 7, paragraphs 10 and 11, of the Paris Agreement, and reports referred to in Article 13, paragraph 8, of the Agreement;]

31. *[Requests the secretariat to prepare, under the guidance of the Standing Committee on Finance, a synthesis report on finance flows consistent with a pathway towards low greenhouse gas emissions and climate resilient development, and the mobilization and provision of support, as contained in the two most recent biennial assessments of the Standing Committee on Finance;]*

*[Preparation, compilation and synthesis of inputs, including relevant guidance]*

32.

**Option 1:** *Invites the [SBSTA and SBI][co-facilitators and the secretariat][constituted bodies and forums and other institutional arrangements under subsidiary bodies and/or serving the Paris Agreement] to develop guidance for preparing, compiling and synthesizing inputs for the global stocktake;*

**Option 2:** (no text)

33. *Requests [the SBSTA and the SBI] [co-facilitators][secretariat] to [compile][synthesize][organize] information for Activity B;*

34. *Requests the secretariat to upload inputs by themes via the GST platform referred to in paragraph 27 above and organize a web-based [workshop][question-and-answer session] to discuss the methodologies and assumptions used to [aggregate][synthesize] the inputs, to be held after the deadline for submission of inputs referred to in paragraph 26 and prior to the commencement of Activity B;*

*[Identification of gaps and call for additional inputs]*

35.

**Option 1:** *Invites the SBSTA and the SBI to identify potential information gaps and, where necessary and feasible, make requests for additional input, bearing in mind the cut-off date for Activity A and the need to consider critical information, taking into account the relevant gaps identified in the reports of the IPCC in relation to the purpose and long-term global goals of the Paris Agreement;*

**Option 2:** (no text – covered to some extent in paragraph 10, but not on gaps)

**Activity B<sup>3</sup> - [Technical phase][Technical consideration of inputs, take stock, assess collective progress and prepare outputs][Technical consideration]**

*[Aim]*

36.

**Option 1:** *Agrees that the Activity B aims to*

**Sub-option 1.1:** *build a strong foundation for Activity C by considering, assessing and providing recommendations in relation to all inputs in the light of equity and common but differentiated responsibilities and respective capabilities, different national circumstances and the best available science, in the context of sustainable development, in a facilitative, transparent and comprehensive manner by conducting a technical assessment to take stock of the implementation of the Paris Agreement to assess collective progress towards achieving the purpose of the Paris Agreement and its long-term goals, in order to inform Parties in updating and enhancing, in a nationally determined manner, their actions and support, as well as in enhancing international cooperation for climate action;*

**Sub-option 1.2:** *conduct a technical assessment to take stock of the implementation of the Paris Agreement to assess collective progress towards achieving the purpose of the Paris Agreement and its long-term goals;*

**Option 2:** (no text)

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<sup>3</sup> Can be combined with Activity A.



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[Timing and duration]

37.

**Option 1:** The *Activity B* could [commence at the SB sessions in [2021][2022][2023] and five years thereafter and conclude before the beginning of *Activity C*][conducted at the CMA of the year in which the global stocktake will be conducted];

**Option 2:** (timing and duration is included in paragraph 12)

38. To make effective use of time, this activity could run in parallel with *Activity A*;

[Structure]

39. *Activity B* will

**Option 1:** comprise a series of [technical][thematic] [dialogues][workshops][round tables] between Parties, experts and other providers of inputs [to be determined and agreed by Parties] [under the technical workstreams];

**Option 2:** be carried out through an interactive technical dialogue, which may include round tables, workshops or other activities, between Parties, experts and other providers of inputs [to be determined and agreed by Parties] that will consider all of the thematic areas that reflect the full scope of the global stocktake;

[Practical arrangements]

40. The *Events* will be organized and facilitated by

**Option 1:** the Chairs of the SBI and SBSTA;

**Option 2:** two co-facilitators nominated by the Chairs of the SBI and the SBSTA for each workstream;

**Option 3:** two co-facilitators nominated by the CMA that will be responsible for conducting the dialogue and the preparation of the output from *Activity B* under the guidance of the joint contact group;

**Option 4:** the secretariat under the guidance of the joint contact group;

[Guidance]

**Option 1:**

41. Substantive guidance for *Activity B* will be provided by [the joint contact group][the Chairs of the SBSTA and SBI][the Presidencies of the CMA] in consultation with Parties;

42. The *Activity B* will be guided by the specific guiding questions [contained in the appendix][developed by [a process to be established]][the co-facilitators];

**Option 2:** (the guidance for *Activity B* is covered by overarching guidance in paragraphs 8-10)

[Consideration of inputs]

**Option 1**

43. All the inputs and topics should be discussed in a balanced, holistic and comprehensive manner, in particular the linkage among various issues, with a balanced allocation of time between workstreams/themes;

44. *Agrees* that information on equity will

a) include a range of indicators, including historical responsibilities for increase in temperature, cumulative per capita emissions, capacity to act due to development levels, sustainable development, vulnerability, distribution of investments, including investments in climate action including adaptation amongst others, distributional implications of global goals on temperature, mitigation, adaptation and finance;

b) be considered during roundtables or workshops as part of *Activity B*, with a view to discuss how equity enables more ambitious action collectively and a synthesis report will be prepared by the secretariat under the guidance of the Chairs of the SBSTA and SBI for consideration under *Activity C*;

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**Option 2:** (such guidance is covered by overarching guidance; equity is addressed in the overarching section)

*[Outputs]*

45. The [synthesis] reports of *Activity B* would [be neutral without recommendations][include technical recommendations for *Activity C*] and would be prepared by [the co-facilitators][secretariat][for consideration by the joint contact group];

*[Participation]*

46. The *Events* will be open, inclusive, transparent and facilitative, and will allow Parties to engage and discuss with the IPCC and other experts, constituted bodies and forums and other institutional arrangements under subsidiary bodies and/or serving the Paris Agreement [and relevant non-Party stakeholders] to consider inputs and assess the collective efforts;

*[Placeholder for relevant ongoing work]*

*[Operationalization of the SBSTA advice on how the assessment of IPCC could inform the global stocktake (FCCC/SBSTA/2016/4, paragraph 56)]*

47. [Agrees that:

a) Inputs from the IPCC should be considered in an effective and balanced manner, taking into account lessons learned from past experience;<sup>4</sup>

b) A dialogue between IPCC experts and Parties on the findings of the IPCC products will be utilized for enabling a focused scientific and technical exchange of information in an open and transparent manner;

c) Special events, similar to the SBSTA–IPCC special event organized by the SBSTA and held on 18 May 2016, will be organized;

d) The SBSTA–IPCC Joint Working Group will be used to enhance communication and coordination<sup>5</sup> between the SBSTA and the IPCC in the context of the global stocktake;]

48. [placeholder for the modalities developed by the AC and the LEG pursuant to Article 7.14 and decision 1/CP.21]

49. [placeholder for the modalities for technical consideration of recognition of the adaptation efforts of developing countries, in accordance with modalities developed by the AC and the LEG pursuant to decision 1/CP.21, paragraph 41]

***Activity C – [Political phase][Consideration of outputs] [Closure of the GST – Outcome]***

*[Aim]*

50. [*Activity C* will inform Parties in updating and enhancing, in a nationally determined manner, their actions and support, in accordance with relevant provisions of the Paris Agreement, as well as in enhancing international cooperation for climate action;]

*[Timing and duration]*

51. [*Activity C* will be held at the CMA session in 2023 and every five years thereafter;]

*[Practical arrangements]*

52. The Presidencies of the CMA in 2023 and every five years thereafter and the [four] outgoing presidenc[y][ies] of the CMA will chair *Activity C*;

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<sup>4</sup> In particular, the activities relating to the 2013–2015 review, taking into account successes and shortcomings.

<sup>5</sup> In accordance with documents FCCC/SBSTA/1995/3, paragraph 24(e), and FCCC/SBSTA/1997/4, paragraph 26(m).

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[Structure]

53. *Activity C* will consist of

**Option 1:** a high-level [segment][dialogue][event][round table(s)] where the findings of *Activity B* will be presented and their implications will be discussed;

**Option 2:** a high-level dialogue or high-level round table(s) where ministers discuss the implications of the findings from the *Activity B* having as an output a summary of key messages from *Activity C*;

[Output]

54. The outputs of *Activity C* include identified gaps on collective progress and how to close these gaps and possible measures and good practices to enhance action and support and international cooperation;

55. The outputs of the *Activity C* will be summarised as key political messages agreed by all Parties, including [general policies and] recommendations from the *Events* for strengthening action and scaling up support, in accordance with identified needs by the CMA;

56. The output of the *Activity C* will be contained in a[summary report] [decision adopted by the CMA][formal declaration agreed by all Parties and adopted by the CMA][final statement by the Presidency and co-moderators and closing interventions by the participants in the last plenary of the joint contact group] [ format to be decided by the Presidency];

## II. Sources of input

[Overall]

57. [Agrees that sources of input for the global stocktake should inform the technical workstreams on mitigation, adaptation [and finance flows] and means of implementation and support;]

[Non-exhaustive list]

58. Agrees that the sources of input for the global stocktake will include information at collective level on:

- a) The overall effect of the nationally determined contributions communicated by Parties;
- b) The state of adaptation efforts, support, experiences and priorities from the communications referred to in Article 7, paragraphs 10 and 11, of the Paris Agreement, and reports referred to in Article 13, paragraph 8, of the Paris Agreement;
- c) The mobilization and provision of support;
- d) Global finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development;
- e) The mitigation efforts from communications referred to in Article 13, paragraph 7, and Article 4, paragraph 19, of the Paris Agreement;
- f) [Regional impacts, which will complement information on the status of adaptation efforts;
- g) Loss and damage;
- h) Social and economic impacts of response measures;
- i) Economic diversification and adaptation resulting in mitigation co-benefits;
- j) All thematic areas in the light of equity, sustainable development and efforts to eradicate poverty;
- k) Barriers and challenges, including finance, technology and capacity-building gaps faced by developing countries;

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l) Good practices, experiences and potential opportunities to enhance international cooperation on mitigation and adaptation and to increase support;

m) Equitable access to sustainable development, historical responsibilities, development gaps between north and south, sustainable development including SDGs, leadership by developed countries in achieving low-emission and climate-resilient development, efforts to eradicate poverty, food security, job creation, and social justice in developing countries, climate refugees and displaced people;]

59. *Agrees* that the sources of input for the global stocktake include:

- a) The latest reports of the Intergovernmental Panel on Climate Change;
- b) Reports of the subsidiary bodies;
- c) Reports from relevant constituted bodies (AC, LEG, TEC, CTCN, SCF, [PCCB,] WIM, CGE) and constituted forums and other institutional arrangements under subsidiary bodies and/or serving the Paris Agreement;
- d) Synthesis reports by the secretariat [as referred to in paragraphs 29 to 30 above]
- e) [Relevant reports from United Nations agencies and other international organizations[, which should be supportive UNFCCC process];]
- f) Relevant reports from regional groups and institutions;
- g) Submissions from Parties and other relevant reports from Parties, processes under the Convention and the Paris Agreement;
- h) [Submissions from [non-Parties and] accredited UNFCCC observer organization stakeholders;]

*[Additional sources of inputs]*

*[Management of sources of inputs]*

60. The [SBSTA][CMA] will [update][complement] the non-exhaustive lists referred to in paragraphs 58 and 59 above [at its summer session two years] prior to the global stocktake, as appropriate, taking into account [, in a nationally determined manner][the comprehensive nature of the GST, equity and] the best available science, importance of leveraging national-level reporting, and the value of authoritative third-party analysis;

*[Guidance for identifying additional sources of inputs]*

61. *[Agrees* that the information from any source of input should be:

- a) appropriate to take stock of the implementation of the Paris Agreement to assess collective implementation and/or progress and address the information needs of the global stocktake;
- b) directly relevant to the technical area under discussion;
- c) presented in a concise, easily digestible and accessible format;
- d) openly accessible;
- e) of high standard of quality and integrity (current, drawing from relevant expertise, and peer reviewed where appropriate;
- f) technical in nature;
- g) synthesized and aggregated;
- h) communicated and reported.]

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## **Appendix<sup>6</sup>**

### **Option 1:**

#### **Non-exhaustive list of proposed specific thematic guiding questions for the GST**

##### *[Mitigation]*

1. What is the collective progress made towards the long-term temperature goal in the Articles 2.1(a) and 4.1?
2. Where are we in relation to the global temperature goal (well below 2 degrees Celsius and pursuing efforts to 1.5 degrees Celsius) as set out in Article 2.1(a), as well as the global temperature scenario consistent with the aggregate effect of NDCs?
3. What is the overall progress towards the long-term goal for mitigation as set out in Article 4.1? Have we reached global peaking, recognizing that peaking will take longer for developing country Parties? Are we seeing rapid reductions of GHG emissions and the enhancement of removals? Where are we in relation to achieving a balance between anthropogenic emissions by sources and removals by sinks? How do we best achieve the long-term goal on mitigation on the basis of equity and in the context of sustainable development and efforts to eradicate poverty?
4. What are the opportunities, good practices and challenges for enhanced climate action?
5. What can Parties do to enhance climate action to reach the level needed to achieve the goals in Article 2.1(a) and Article 4.1?

##### *[Adaptation]*

6. What is the overall progress made towards achieving the global goal on adaptation referred to in Article 7.1 (including in relation to adaptation, review of the adequacy and effectiveness of action and support provided for adaptation)?
7. How can the global community most effectively and adequately increase the ability to adapt to the adverse impacts of climate change and foster climate resilience and low greenhouse gas emissions development, in a manner that does not threaten food production, consistent with the goal set out in Article 2.1(b)?
8. How are we collectively progressing towards addressing elements of information contained in adaptation communications, including vulnerability, effective planning, implementation of priority programmes and projects and investments in adaptation?

##### *[Means of implementation and support]*

9. What is the progress made towards making the financial flows consistent with the pathways towards low greenhouse gas emissions and climate resilience, including progress on means of implementation and support reflected the Articles 9, 10 and 11 of the Paris Agreement?
10. Are we on track to making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development, as set out in Article 2.1(c)? What is the progress in implementing the concrete road map to achieve the goal of jointly providing USD 100 billion annually by 2020 for mitigation and adaptation while significantly increasing adaptation finance from current levels and to further provide appropriate technology and capacity-building support, pursuant to paragraph 114 of decision 1/CP.21?
11. What is the overall progress made towards achieving the long-term technology goal referred in Article 10.1?
12. What are the opportunities, good practices and challenges to enhance financial flows, including means of implementation and support, taking into account articles 9, 10 and 11 of the Paris Agreement?

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<sup>6</sup> This appendix is an integral part of this note.

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13. What can Parties do to enhance the financial flows, including means of implementation and support, to be consistent with the pathways towards low greenhouse gas emissions and climate resilience?

14. What are the best practices and lessons learned in relevant to mitigation, adaption, means of implementation and support?

*[Other elements]*

*[Equity]*

15. How do the various indicators of equity provide information on what is required by science towards the global temperature goal?

16. How can the equity framework be used by Parties in their domestic processes in enhancing and updating, in a nationally determined manner, their actions and support as well as international cooperation?

**Option 2:** no appendix



## **Revised additional tool under item 7 of the agenda**

### **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**

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

*Final Iteration 08/09/2018 @ 21:00 hrs*

1. This note captures the progress of Parties' work under agenda item 7, "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" at the sixth part of the first session of Ad Hoc Working Group on the Paris Agreement, based on the Additional tool under item 7 of the agenda (dated 2 August 2018).<sup>1</sup> The note was prepared, under their own responsibility and under the guidance of the APA Co-Chairs, by the co-facilitators of the negotiations on this item, Ms. Janine Felson (Belize) and Ms. Christina Voigt (Norway).
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.
3. The options presented in the text are not exhaustive. Reflection of elements and options in the text do not represent an indication of agreement with any specific element or option by all Parties.

#### **Elements of relevant guidance**<sup>2</sup>

##### **Contents**

A. Purpose, principles, nature, functions and scope .....	2
B. Institutional arrangements.....	3
C. Initiation of consideration .....	7
D. Process .....	9
E. Measures and Outputs.....	13
F. Consideration of systemic issues .....	15
G. Sources of information.....	16
H. Relationship with the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement ...	16
I. Review of the modalities and procedures .....	17
J. Secretariat .....	17

<sup>1</sup> <https://unfccc.int/sites/default/files/resource/APA1.6.Informal.1.Add.5.pdf>.

<sup>2</sup> Headings, subheadings and formatting are without prejudice to the eventual modalities and procedures and are intended as a tool to collect and organize issues for the purposes of this document.

## A. Purpose, principles, nature, functions and scope

### Option A {paragraphs 1–31 below}:

1. The mechanism to facilitate implementation of and promote compliance with the provisions of the Paris Agreement established under Article 15 of the Agreement consists of a committee.
2. The Committee under Article 15 of the Agreement (hereinafter ‘the Committee’) shall be expert-based and facilitative in nature and function in a manner that is transparent, non-adversarial and non-punitive. The Committee shall pay particular attention to the respective national capabilities and circumstances of Parties.
3. The Committee shall operate under the modalities and procedures adopted by the Conference of the Parties serving as the meeting of the Parties to this Agreement at its first session and report annually to the Conference of the Parties serving as the meeting of the Parties to this Agreement.

### Option B {paragraphs 1–7 below}:

#### A.1 Purpose

1. The Committee established under Article 15 of the Paris Agreement (hereinafter ‘Agreement’) is to facilitate implementation of and promote compliance with:

**Option 1:** the provisions of the Paris Agreement.

**Option 2:** the different provisions of the Paris Agreement, taking into consideration Articles, 4, 7 and 9.

#### A.2 Principles

2. **Option 1:** The Committee is to exercise its functions in accordance with the principles of the Agreement and the guidance contained in the present modalities and procedures as well as any additional guidance that may be provided by the CMA.

**Option 2:** The Committee is to exercise its functions in accordance with the principles of the Agreement and the guidance contained in the present modalities and procedures.

**Option 3:** The Committee being guided, in particular, by Articles 2 and 3 of the Paris Agreement should aim to facilitate the implementation of and promote compliance with the provisions of the Agreement in line with the respective obligations of Parties.

**Option 4:** *No text.*

3. **Option 1:** The Committee’s work is to be guided also by equity and the principles of common but differentiated responsibilities and respective capabilities in the light of different national circumstances.

**Option 2:** *No text.*

#### A.3 Nature

4. **Option 1:** The Committee is expert-based and facilitative in nature.

**Option 2:** *No text.*

#### A.4 Functions

5. The Committee is to function in a manner that is transparent, non-adversarial and non-punitive and is to pay particular attention to the respective national capabilities and circumstances of Parties.
6. In carrying out its work, the Committee is also to avoid duplication of effort, not to function as an enforcement or dispute settlement mechanism, not to impose penalties or sanctions, and to respect national sovereignty.

#### A.5 Scope

7. **Option 1:**

**Option 1.1:** The Committee is to facilitate implementation of and promote compliance with the provisions of the Paris Agreement and decisions by the CMA.

**Option 1.2:** The scope of the Committee’s work is comprehensive and covers all provisions of the Agreement.

**Option 2:** *No text.*



### **Option C** {paragraphs 1 – 3 below}

#### **A.1 Purpose**

1. The Committee aims to facilitate the implementation of and promote compliance with the provisions of the Paris Agreement in line with the provisions of the Paris Agreement.

#### **A.2. Principles**

2. The Committee being guided, in particular, by the Articles 2 and 3 of the Paris Agreement should aim to facilitate the implementation of and promote compliance with the provisions of the Agreement in line with the respective obligations of Parties.

#### **A.3 Scope**

3. The Committee is to facilitate implementation of and promote compliance with the provisions of the Paris Agreement and decisions by the CMA.

### **Option D** {paragraphs 1 – 5 below}

1. The mechanism to facilitate implementation of and promote compliance with the provisions of the Paris Agreement established under Article 15 of the Agreement consists of a committee.
2. The Committee under Article 15 of the Agreement (hereinafter ‘the Committee’) shall be expert-based and facilitative in nature and function in a manner that is transparent, non-adversarial and non-punitive. The Committee shall pay particular attention to the respective national capabilities and circumstances of Parties.
3. The Committee shall operate under the modalities and procedures adopted by the Conference of the Parties serving as the meeting of the Parties to this Agreement at its first session and report annually to the Conference of the Parties serving as the meeting of the Parties to this Agreement.
4. The Committee’s work is to be guided also by equity and the principles of common but differentiated responsibilities and respective capabilities in the light of different national circumstances.
5. In carrying out its work, the Committee is also to avoid duplication of effort, not to function as an enforcement or dispute settlement mechanism, not to impose penalties or sanctions, and to respect national sovereignty.

### **Option E:** *No text.*

## **B. Institutional arrangements**

### Composition (1/CP.21, para 102)

8. The Committee to be comprised of twelve members with recognized competence in relevant scientific, technical, socioeconomic or legal fields to be elected by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) on the basis of equitable geographical representation, with two members each from the five regional groups of the United Nations and one member each from the small island developing States and the least developed countries, while taking into account the goal of gender balance.

### Members / alternates and expert based nature

#### **9. Option A:**

**Option 1:** Members of the Committee:

**Option 2:** Members and an alternate for each member of the Committee:

to be elected by the CMA, taking into account the expert-based nature of the Committee in accordance with Article 15 of the Paris Agreement, giving consideration to diversity of the relevant fields of expertise.

**Option B:** In electing the members of the Committee, the CMA shall seek to reflect competences in a balanced manner in the fields referred to in paragraph 8 above.

Term of office, staggered election for continuity

10.

- (a) Members / and alternate members / to be elected to serve for a period of three years and be eligible to serve a maximum of two consecutive terms
- (b) Six members / and six alternate members / to be elected at CMA [x] initially for a term of two years and six members and alternate members for a term of three years
- (c) Thereafter, the CMA to elect at its regular sessions six members / and alternate members / for a period of three years
- (d) The members / and alternate members / to remain in office until their successors are elected.

Resignation / replacement

**11. Option A:**

If a member / or an alternate member / resigns or is otherwise unable to complete the term of office or to perform the functions of that office, the Committee may decide, bearing in mind the proximity of the next session of the CMA, to appoint a member / or an alternate member / from the same group or constituency to replace said member for the remainder of that member's / alternate member's / mandate. Such term of office to count as one term.

**Option B:**

If a member of the Committee resigns or is otherwise unable to complete the assigned term in the Committee or to perform the functions in the Committee, an expert from the same Party shall be named by that Party to replace the said member for the remainder of the unexpired term.

Individual vs expert capacity

12. Members of the Committee / and their alternate members / to serve in their

**Option A:** individual capacity

**Option B:** expert capacity

**Option C:** individual, expert capacity.

Bureau/Chairing arrangements

*Election, term of office and geographical representation*

**13. Option A:**

The Committee to elect from amongst its members for a period of two/three years the Chair and Vice-Chair as well as three other members to serve as the Bureau of the Committee. In electing the Bureau, the Committee to ensure equitable representation of the five regional groups of the United Nations. The positions of the Chair and Vice-Chair, taking into account the need to ensure equitable geographical representation.

**Option B:** The Committee to elect from amongst its members

**Option 1:** the Chair and Vice-Chair

**Option 2:** two Co-Chairs

**Option (a):** one from a developed and one from a developing country Party

**Option (b):** *no additional text.*

for a period of two/three years, taking into account the need to ensure equitable geographical representation.

**Option C:** *No bureau provisions in the modalities.*

*Role of the Bureau*

14. **Option 1:** Role of the Bureau with regards to admissibility, question of implementation and systemic issues.

**Option 2:** *No text.*

### Frequency of meetings

15. Unless otherwise decided, and taking into account the desirability of holding such meetings in conjunction with the meetings of the SBI and SBSTA, the Committee to meet

**Option A:** at least once a year,

**Option B:** at least twice a year,

**Option C:** X times a year,

beginning in

**Option A:** 2019

**Option B:** 2020.

### Open or closed meetings

16. Meetings of the Committee to be

**Option A:** {open as default}

held in public, unless the Committee, of its own accord or at the request of the Party concerned, decides for part or all of the meeting to be held in private. Only members / and alternate members / of the Committee and secretariat officials to be present during the elaboration and adoption of a decision of the Committee.

**Option B:** {closed as default}

held in a closed session, subject to the provisions of the present modalities and procedures on the participation of the Party concerned. The Committee of its own accord, at the request of the Party or otherwise concerned, may invite the Party concerned to participate in a part of its meeting. Only members / and alternate members / of the Committee and secretariat officials to be present during the elaboration and adoption of a decision of the Committee.

**Option 1:** A report of the meeting to be made publicly available.

**Option 2:** No text.

### Quorum

17. Adoption of decisions by the Committee requires a quorum of at least

**Option A:** three fourths of the members to be present

**Option B:** ten members to be present.

### Decision-making

18. The Committee to

**Option A:** {consensus}

reach agreement on any decision by consensus.

**Option B:** {consensus, with voting as last resort}

make every effort to reach agreement on any decision by consensus. If all efforts at reaching consensus have been exhausted, as a last resort, the decisions to be adopted by:

- **Option 1:** a majority of the members present and voting
- **Option 2:** at least two-third of the members present and voting
- **Option 3:** at least three-fourth of the members present and voting
- **Option 4:** at least nine of the members present and voting.

### Conduct of work and decision-making through electronic means of communication

19. **Option A:**

- Possibility to conduct its work, including with regard to elaboration and adoption of decisions, using electronic means of communication, subject to provisions of these modalities and procedures with respect to participation of the Party concerned.
- Such decisions to be deemed taken at the headquarters of the secretariat.

**Option B:**

- The Committee may elaborate and adopt its decisions using electronic means
- Such decisions to be deemed taken at the headquarters of the secretariat.

### Reasoning

20. Any decisions of the Committee concerning facilitation of implementation and promotion of compliance by Parties to be made in writing and supported by reasoning.

### Conflict of interest

21. Members / and alternate members / to

- disclose any interest in any matter under discussion before the Committee which may constitute a conflict of interest or which might be incompatible with the requirements of independence and impartiality expected of a member / or alternate member / of the Committee
- refrain from participating in the work of the Committee in relation to such matter.

22. **Option A:** Members / and alternate members / are considered to have a conflict of interest when their country is the Party concerned.

**Option B:** Members / and alternate members / are not automatically considered to have a conflict of interest when their country is the Party concerned.

### Rules of procedure of the Committee

23. **Option A:** {Committee to develop proposal for CMA}

The Committee to develop its rules of procedure for consideration and adoption by the CMA 2/ CMA in 2020, informed by the principles of transparency, facilitation, the non-adversarial and non-punitive function, and taking into account national capabilities and circumstances.<sup>3</sup>

**Option B:** The CMA to develop and adopt the rules of procedure of the Committee.

*The elements for the rules of procedures may need to include the following issues (indicative, non-exhaustive list, may be read together with either option A or B above):*

- *Dates for start and end of terms of office of members*
- *Details on the role of alternate members, if alternate members are included*
- *Oath of service provisions*
- *Further details on how conflict of interest issues could be addressed*
- *Elaboration on the replacement of Bureau officers*
- *Elaboration on the tasks of the Bureau, including with regard to admissibility, question of implementation, including systemic issues*
- *Details on the timing of document circulation*
- *Process of elaboration of meeting agenda*
- *Timelines for circulation for reports, information on question of implementation and information on systemic issues*
- *Sets of procedures for timelines for circulation of specific documents and other notifications to Parties,*
  - **Option 1:** *including guidelines for differentiated timelines to afford necessary flexibility to Parties and to account for the nature of provisions of the Paris Agreement concerned*
  - **Option 2:** *No text on differentiated timelines*
- *Details on how timeframes are to be calculated, e.g. taking into account working days and holidays and the nature of provisions of the Paris Agreement concerned*
- *Detailed procedures for the use of electronic means of decision-making: what types of decision, what procedures, etc.*
- *Place of meetings*
- *Attendance requirements*
- *Working language.*

<sup>3</sup> Note: Such rules of procedure may also include some of the elements included above in this section (e.g. replacement of members, electronic modes of work, conflict of interest procedures).

## C. Initiation of consideration

*{Parties have made proposals for alternative ways to structure and reframe the sections on Initiation of consideration, Process, and Measures and outputs}*

24.

### **Option A** *{Self-referral only}*:

24.1. The Committee may consider issues related to, as appropriate, a Party's implementation of and compliance with the provisions of the Paris Agreement on the basis of written submissions from any Party with respect to its own implementation of [and][or] compliance with [the][all] provisions of the Paris Agreement.

### **Option B** *{Self-referral and other means of initiation}*:

24.1. (...) *{as paragraph 24.1 Option A above}*.

*{Options B.1-B.5 in paragraphs 24.2–24.6 below are not mutually exclusive. Parties may choose to select all, some or none.}*

#### **24.2. Option B.1** *{referrals by a third Party}*:

In addition, the Committee may consider written referrals by a Party or group of Parties with respect to implementation of [and][or] compliance with

**Option B.1.1:** Articles 4, 7 and 9 by another Party or a group of Parties;

**Option B.1.2:** all provisions of the Paris Agreement.

#### **24.3. Option B.2** *{Initiation by the Committee}*:

- In addition, the Committee may initiate the consideration of issues related to, as appropriate,

- a Party's/ a Party's or a group of Parties'/ implementation of and compliance with

**Option B.2.1:** the provisions of the Paris Agreement

**Option B.2.2:** the obligations contained in Articles 4, 6, 7, 9, 10, 11 and 13 of the Paris Agreement and applicable to a Party or a group of Parties

**Option B.2.3:** on communication of the most up to date status of the obligations contained in Articles 4, 6, 7, 9, 10, 11 and 13 of the Paris Agreement and applicable to a Party or a group of Parties on the communication of the most updated reports

**Option B.2.4:** the obligations contained in Articles 4, 6, 7, 9, 10, 11, 13 and 14 of the Paris Agreement and applicable to a Party or a group of Parties on the communication of the most updated reports

**Option B.2.5:** obligations related to objectively identifiable binary issues contained in Article 4, paragraph 2, 8, 9, Article 7, paragraph 11, Article 9, paragraphs 5 and 7, and Article 13, paragraphs 7 and 9

**Option B.2.6:** obligations related to objectively identifiable binary issues contained in Articles 4, 6, 7, 9, 10, 11 and 13 of the Paris Agreement and applicable to a Party or a group of Parties

**Option B.2.7:** legally binding, individual, objectively assessable obligations

**Option B.2.8:** legally binding obligations

**Option B.2.9:** individual, objectively assessable procedural obligations contained in Article 4, paragraphs 2 and 9, and Article 9, paragraph 5 and Article 13, paragraphs 7 and 9

**Option B.2.10:** obligations contained in Article 4, paragraphs 2 and 9, Article 9, paragraph 5, Article 13, paragraphs 7 and 9,

**Option B.2.11** *{additional to options B.2.1–B.2.10 above and B.2.12–B.2.15 below}*:

as well as provisions expressed through language of a mandatory nature contained in

**Option B.2.11 (a):** decisions of the CMA related to these obligations

**Option B.2.11 (b):** decisions of the CMA related to these obligations on the communications under Articles 4, 7 and 9.5

**Option B.2.11 (c):** modalities, procedures and guidelines adopted under Article 13 of the Paris Agreement as contained in the relevant decisions of the CMA

- and/or a situation where

**Option B.2.12:** a Party has failed to communicate an NDC, to provide the mandatory information or a mandatory report, or to participate in the facilitative, multilateral consideration of progress

**Option B.2.13:** a Party has failed to submit an NDC under Article 4 or a required report under Article 13 by a deadline established by the CMA

**Option B.2.14:** a Party has failed to submit communications under Article 4, 7, 9 and 13 by a deadline established by the CMA

**Option B.2.15:** the significance or recurring nature of inconsistencies with the modalities, procedures and guidelines referred to in Article 13.13 give rise to questions of compliance with Article 13

- on the basis of

- **Option (a):** *{options in sub-paragraphs a–g below not necessarily mutually exclusive and one or more can be read together with the relevant options B.2.1–B.2.15 above. Parties may choose to select all, some or none};*

(a) information contained in the registry of nationally determined contributions (NDC registry),

(b) information contained in the registry of nationally determined contributions (NDC registry), and up to date status of communication of obligations under Articles 7 and 9;

(c) information received through the secretariat, including, but not limited to:

(i) Information on the most up-to-date status of communication of nationally determined contributions by Parties as reflected in reports to be prepared by the secretariat, based on information contained in the public registry referred to in Article 4, paragraph 12, of the Agreement;

(ii) *{for each sub-paragraph, the information and the source of information should be specified}*

(d) information contained in any relevant registries established under the Paris Agreement,

(e) any status reports by the secretariat prepared in accordance with Article 13 of the Paris Agreement,

(f) technical expert review reports under Article 13 of the Paris Agreement, and/or

(g) information provided by other bodies and arrangements under or serving the Paris Agreement;

- **Option (b):** factual information from the relevant sources under the Paris Agreement compiled by the secretariat;

- *{For any of the options B.2.1–B.2.15 above};*

**Option (a):** provided that the Party concerned consents to such a consideration by the Committee.

**Option (b):** *No text.*

#### 24.4. **Option B.3** *{Initiation by the CMA};*

In addition, the Committee may consider a referral by the CMA with respect to

**Option B.3.1:** issues of implementation of and compliance with the Paris Agreement.

**Option B.3.2:** systemic issues

24.5. **Option B.4** *{Initiation by other bodies/arrangements};* In addition, the Committee may consider a referral by another body or arrangement under or serving the Paris Agreement with respect to issues of implementation of and compliance with the Paris Agreement.

24.6. **Option B.5** *{Differentiated: Self-referral (paragraph 24.1 above) applicable to all Parties; in addition, other ways of initiation may be applicable to developed country Parties};*

In addition, the Committee may consider, with respect to developed country Parties,

**Option B.5.1** *{Third Party referrals};*

- written referrals by a Party or group of Parties with respect to implementation of /compliance with (...) *{scope to be further elaborated}* by a developed country Party.

**Option B.5.2** *{Initiation by the Committee};*

(a) information contained in the NDC registry

(b) information contained in any relevant registries established under the Paris Agreement

(c) any status reports by the secretariat prepared in accordance with Article 13 of the Paris Agreement

- (d) technical expert review reports under Article 13 of the Paris Agreement
- (e) information provided by other bodies or arrangements funder or serving the Paris Agreement
  - with respect to (...) *{one or more of the options in subparagraphs a–e above to be read together with any of the options B.2.1–B.2.15 above}*.

## D. Process

*{Parties have made proposals for alternative ways to structure and reframe the sections on Initiation of consideration, Process, and Measures and outputs}*

25. *{Guidance generally applicable to the functioning}*:

The Committee is to exercise its functions in line with Article 15 / in line with the provisions of the Paris Agreement, including with respect to the nature and the manner of functioning of the Committee to facilitate implementation and promote compliance as established by the Agreement and the need to pay particular attention to the respective national capabilities and circumstances of Parties at all stages of the process.

**Option A** *{Exercise of functions through bound discretion (paragraphs 26–27 below)}*:

- 26. In the exercise of its functions and subject to these modalities and procedures, the Committee is to determine how to apply such guidance in view of each matter brought before it for consideration.
- 27. In the exercise of its functions, the Committee to be guided by the following:
  - (a) The Committee to operate in manner that is transparent, facilitative, non-adversarial and non-punitive.
  - (b) Work of the Committee not to alter the legal nature of the provisions of the Paris Agreement.
  - (c) National capabilities and circumstances to be considered throughout the Committees' work, in accordance with the provisions of the Paris Agreement, specifically in the determination of: the process of consultations of the Party, the assistance given to the Party in responding to the requests of the Committee, and the measures applied. The national capabilities and circumstances of SIDS and LDCs to be particularly taken into consideration.
  - (d) The Committee to be mindful of the work being undertaken by other institutions of the Paris Agreement and not duplicate the mandated work of these other bodies.
  - (e) Parties to be comprehensively involved in the issues being considered by the Committee that concern them. In addition to dialogues between the Party concerned and the Committee, Party involvement to include written submissions during the process and in response to the preliminary conclusions.
  - (f) **Option 1:** The Committee to make every effort to engage the concerned Party, but their work to not be hindered where the Party chooses not to engage.  
**Option 2:** The Committee to engage the concerned Party in a matter that is non-intrusive and respectful of national sovereignty.
  - (g) **Option 1:** The Committee to consider a wide body of information. This could include official documents of the Convention and Paris Agreement, and information created by other Paris Agreement bodies.  
**Option 2:** *No text.*
  - (h) **Option 1:** The Committee to recognize that developing country Parties to be provided flexibility in the implementation of the provisions of the Parties Agreement  
**Option 2:** *No text.*
  - (i) **Option 1:** The Committee to take into consideration the impact of response measures.  
**Option 2:** *No text.*

**Option B** *{Steps/phases – not necessarily consecutive (paragraphs 28–52 below)}*:

- 28. The Committee is to consider any matters referred to it under section C above in accordance with the following procedures.

### I. Initiation and preliminary examination

*Where the procedure is initiated through Party's self-referral: Option A in section C, paragraph 24.1 above:*

- 29. Any submission made by a Party under paragraph *{cross reference to the paragraph on self-referral, currently paragraph 24.1}* above with respect to itself is to be addressed in writing to the Committee and transmitted through the secretariat.

**Option 1:** Such submission is to set out the matter of concern, the relevant provisions of the Paris Agreement, the specific circumstances that the Party concerned considers to be the cause of the challenges with implementation [and][or] compliance, any need for assistance, as well as any information on the Party's efforts to make use of the existing arrangements and mechanisms under the Paris Agreement in order to facilitate its implementation [and][or] promote compliance with the provisions in question.

**Option 2:** *No additional text.*

30. The secretariat is to transmit such submission within [x] weeks to the Committee, which is to commence its consideration of the matter at the latest at its next meeting.

31. The Committee is to undertake a preliminary examination of the submission with a view to verifying whether it contains sufficient information, including information as to whether the matter relates to the implementation of [and][or] compliance with the Paris Agreement,

**Option 1:** and information on the efforts by the Party concerned to make use of the existing arrangements and mechanisms under the Paris Agreement to facilitate its implementation and promote compliance with the provisions in question.

**Option 2:** and is not de-minimis or ill-founded.

**Option 3:** *No additional text.*

32. The Party concerned is to provide responses to any questions the Committee may pose to it in the course of the preliminary examination within [x] months from the date of receipt of such questions unless

**Option 1:** the circumstances of the particular case or the national capabilities and circumstances of the Party concerned require an extended period of time.

**Option 2:** the national capabilities and circumstances of the developing country Party concerned require an extended period of time.

Where the procedure is initiated through means other than self-referral (Option B in section C, paragraphs 24.2–24.6 above):

(a) For referrals by a third Party and referral by other bodies and arrangements (Options B.1, B.4 and B.5.1 in section C, paragraphs 24.2, 24.4 and 24.5 above):

33. Referrals to the Committee other than by the CMA or by a Party with respect to its own implementation [and][or] compliance are to be made in writing through the secretariat and are to set out the matter of concern and the relevant provisions of the Paris Agreement, and be supported by corroborating information.

34. Within [x] weeks of it receiving such referral, the secretariat is to send a copy to the Party concerned and to the Committee for consideration, at the latest, at its next meeting.

35. The Committee is to undertake a preliminary examination of such referrals with a view to establishing that the question before it:

- (a) is supported by sufficient information;
- (b) is not de-minimis or ill-founded; and
- (c) is based on the provisions of the Paris Agreement.

36. Any decision of the Committee on whether to proceed with the consideration of such referral is to be made in writing and notified through the secretariat to the Party concerned and to the referee.

37. **Option 1** (on the consent of the Party concerned):

The Committee is to seek the consent of the Party concerned on whether to proceed with the consideration of a referral.

**Option 2** (on the consent of the Party concerned): *No text.*

(b) For initiation by the Committee (Options B.2 and B.5.2 in section C, paragraphs 24.3 and 24.6 above):

38. Where the Committee becomes aware of issues of implementation of and compliance with the provisions of the Paris Agreement, brought to its attention through the consideration of the information referred to in paragraph (24.3) above, the Committee is to request the Party concerned to provide necessary information about the matter.

39. **Option 1** (on the consent of the Party concerned):

The Committee is to seek the consent of the Party concerned to proceeding with the consideration of the matter.



**Option 2:** *(on the consent of the Party concerned):* Except for issues of compliance with legally binding provisions, the Committee is to seek the consent of the Party concerned to proceeding with the consideration of the matter.

**Option 3:** *(on the consent of the Party concerned):* No text.

*(c) For referrals by the CMA (Option B.3 in section C, paragraph 24.4 above):*

40. Within [x] weeks of any referral being made by the CMA with respect to implementation [and][or] compliance by one or more Parties, the secretariat is to inform the Party or Parties concerned of the referral and to transmit the referral to the Committee for its consideration, at the latest, at its next meeting.

## **II. Participation of the Party concerned**

### ***Possibility to comment***

*For all initiation options:*

41. Further to the provisions of paragraphs {cross reference to the paragraphs on any responses to be provided by the Parties concerned or input during the preliminary examination, currently paragraphs 29, 32 and 38 above} and taking into account the relevant timelines set out therein / as defined in the rules of procedure, the Party concerned may present responses and comments at every step of the process described in the present modalities and procedures.
42. **Option 1:** The Committee to recognize that developing country Parties to be provided flexibility at every step of the process. This flexibility to be nationally determined by developing country Parties based on their national circumstances and capacities.

**Option 2:** No text.

*For Option B in section C (initiation other than self-referral), paragraphs 24.2–24.6 above:*

43. The Party concerned, with recourse to the Committee for assistance, if required, may make a written submission to the Committee to provide relevant information, including with respect to causes, challenges and constraints.

**Option 1:** Such written submission is to be made within [x] months from the date of receipt of the notification of a referral by the CMA under paragraph {cross reference to the notification of the Party concerned of a referral by the CMA, currently paragraph 40}, or the notification of the procedure being initiated by the Committee in accordance with paragraph {cross-reference to the paragraph on Committee initiation, currently paragraph 38} above, as appropriate.

**Option (a):** Where the circumstances of the particular case or the national capabilities and circumstances of the Party concerned necessitate additional time for the written submission, the Party concerned is to notify the Committee and to indicate the additional time required and the relevant reasons for any delay.

**Option (b):** Where the national capabilities and circumstances of the developing country Party concerned necessitate additional time for the written submission, the Party concerned is to notify the Committee and to indicate the additional time required and the relevant reasons for any delay.

**Option (c):** Where the national capabilities and circumstances of the developing country Party concerned necessitate additional time for the written submission, the Party concerned is to notify the Committee and to indicate the additional time required.

**Option 2:** No further text.

### ***Representation at meetings***

*For all initiation options:*

44. The Party concerned may participate in the discussions of the Committee with respect to its own implementation [and][or] compliance.

**Option 1:** The Party concerned may not take part in the elaboration and adoption of any measures/recommendations/ findings of the Committee in accordance with {cross-reference to the language on open/closed meetings, section B, currently paragraph 16 above}.

**Option 2:** No additional text.

*For Option B.1 in section C (Third Party's referrals), paragraph 24.2 above:*

45. The Party that made the submission under paragraph {cross reference to paragraph on third Party's referrals, currently 24.2 above}, may participate in the consideration of the submission by the Committee, but not take part in

the elaboration and adoption of any measures/recommendations/ findings of the Committee in accordance with {cross-reference to the language on open/closed meetings, section B, currently paragraph 16 above}.

#### ***Consultation***

46. If so requested in writing by the Party concerned, the Committee is to hold a consultation during a meeting at which the matter with respect to that Party is to be considered.

#### ***Resources for participation***

47. **Option 1:**

**Option (a):** Subject to availability of financial resources, assistance may be provided, on request, for Parties that cannot access the financial resources to attend the meetings or consultations.

**Option (b):** Assistance may be provided, on request, for Parties that cannot access the financial resources to attend the meetings or consultations.

**Option 2:**

**Option (a):** Subject to availability of financial resources, assistance to be provided, on request, for developing country Parties that cannot access the financial resources to attend the meetings or consultations.

**Option (b):** Assistance to be provided, on request, for developing country Parties that cannot access the financial resources to attend the meetings or consultations.

#### ***Information gathering and participation of other bodies***

48. In considering how to facilitate implementation [and][or] promote compliance by the Party concerned, the Committee may obtain additional information from the sources referred to in section G {*Sources of information*} or, as appropriate and in consultation with the Party concerned, to invite representatives of the relevant bodies and arrangements under or serving the Paris Agreement to participate in the meetings,

**Option 1:** with consent of the Party concerned.

**Option 2:** *No additional text.*

#### ***Commenting on draft findings***

49. The Committee is to send a copy of its draft findings, draft measures and any draft recommendations to the Party concerned, and is

**Option 1:** to take into account any comments made by it in the finalization of those findings, measures and recommendations.

**Option 2:** to adopt any findings, measures and recommendations subject to approval by the Party concerned.

#### ***Party concerned comments on draft measures/ findings/ recommendations***

50. The Committee is to invite the Party concerned to provide in its written submission and during the relevant meetings any information on causes, challenges and constraints that may inform the Committee's consideration.

### **III. Identification of measures/ findings/ recommendations**

51. **Option 1:** In identifying the appropriate measures, findings or recommendations, the Committee, in addition to the comments received from the Party concerned, is to take into account the national capabilities and circumstances of the Party concerned.

**Option 2:** The Committee in identifying the appropriate measures, findings or recommendations to take into account the provisions of the Paris Agreement, taking into account the respective national capabilities and circumstances of Parties.

52. **Option 1:** The Committee is also to take into account:

- (a) The legal nature of the provision or provisions concerned;
- (b) Whether the Party concerned is a developed or a developing country;
- (c) The special circumstances of least developed countries and small island developing states;
- (d) Other relevant national circumstances, including force majeure;

- (e) To what extent the lack of capacities contributed to the implementation [and][or] compliance challenges;
- (f) With respect to a developing country Party, the specific financial, capacity-building and technology needs and challenges that the Party concerned may have;
- (g) With respect to the developed country Parties, the obligations related to the provision support in accordance with the provisions of the Paris Agreement;
- (h) With respect to developing country Parties, whether they received appropriate support for the implementation of the provision under consideration;
- (i) Type degree and frequency of the failure to implement [and][or] comply with the provisions of the Paris Agreement;
- (j) The impact of response measures.

**Option 2:** *No text.*

**Option C** *{Differentiated approach}*:

*{Modalities and procedures to be elaborated, including with respect to developed and developing countries, having regard to differentiated obligations under Articles 4, 7, and 9 and taking into account Article 15, paragraph 2, including with respect to participation and treatment of the Party concerned and the need to take into account national capabilities and circumstances.}*

## E. Measures and Outputs

*{Parties have made proposals for alternative ways to structure and reframe the sections on Initiation of consideration, Process, and Measures and outputs}*

*{The measures listed are not mutually exclusive or consecutive}*:

53. With a view to facilitating implementation and promoting compliance the Committee may:

- (a) Facilitate the sharing of information, experience and lessons learned with the Party concerned;
- (b) **Option 1:** Establish a dialogue with the Party concerned, with the participation of other bodies or arrangements under the Paris Agreement;

**Option 2:** *no text.*

- (c) Assist in the identification of challenges faced by the Party concerned;
- (d) Make recommendations to the Party concerned;
- (e) Provide information to the Party concerned;
- (f) **Option 1:** Initiate the development of an implementation [and][or] compliance action plan
  - **Option (a):** upon request by the Party concerned.
  - **Option (b):** *{at the Committee's own initiative}*

**Option (b.1):** with consent of the Party concerned.

**Option (b.2):** *No additional text.*

*{Elements and content of the plan, to be read with any of the options (options 1, 2.1 or 2.2) above}*:

- i. The plan is to serve as a roadmap to assist the Party with implementation [and][or] compliance, as appropriate, with the Paris Agreement, to be facilitative and advisory in nature and respectful of the nationally determined nature of the NDCs.
- ii. The plan is to contain:
  - A description of the implementation challenges/causes of non-compliance
  - A description of measures that the Party intends to take with respect to its implementation [and][or] compliance
  - Timelines for the measures intended to be taken
  - Follow-up arrangements, including regular information to be provided by the Party concerned to the Committee about the progress made in implementing the measures.
- iii. The plan is to be developed:
  - **Option (a):** By the Party concerned in consultation with the Committee
  - **Option (b):** By the Party concerned with the assistance of the Committee, if so requested by the Party concerned.

**Option 2:** Assist the Party in developing an implementation [and][or] compliance action plan.

- (g) Facilitate dialogue and exchange of information and views between the Party concerned and the appropriate support arrangements, in order to identify possible challenges.

54. **Option A:** Furthermore, the Committee may:

- (a) **Option 1:** Provide information on accessing support, for example, on the types of support available.

**Option 2:** Facilitate access to finance, technology and capacity-building support.

*{To be read with any of the options (options 1 or 2) above. – Options (a) and (b) below are not necessarily mutually exclusive}:*

- **Option (a)** The provision of information/facilitation of access to be in a manner that does not create an incentive for Parties not to implement [and][or] comply with the provisions of the Paris Agreement.

And/or:

- **Option (b):** The provision of information/facilitation of access to be subject to efforts made by the Party concerned to make use of the existing arrangements and mechanisms under the Paris Agreement to facilitate its implementation and promote compliance with the provisions in question.

- **Option (c):** *No additional text.*

- (b) **Option 1:** Refer the Party concerned to appropriate bodies or arrangements for finance, technology and capacity-building support;

**Option 2:** Refer the matter to appropriate bodies or arrangements for finance, technology and capacity-building support for developing country Parties;

- (c) Subject to the availability of resources, provide access to/ refer to/ send technical experts to assist Party concerned;

- (d) **Option 1:** Make recommendations to relevant bodies or arrangements related to support

**Option 2:** Make recommendations to relevant bodies or arrangements to provide finance, technology and capacity-building support to developing country Parties.

**Option B:** *No text.*

55. **Option 1:** The Committee may also issue a statement/declaration/finding on non-compliance.

**Option 2:** *No text.*

56. **Option 1:**

**Option 1.1:** Where consideration of the matter is initiated by means other than by a submission by the Party concerned,

**Option 1.2:** Where consideration of the matter is initiated by means other than by a submission by the Party concerned, if, having made use of measures referred to in paragraphs 53–54 above the Committee considers it necessary to propose further measures,

**Option 1.3:** Where the issue relates to a legally binding provision of the Agreement,

the Committee may choose to apply any of the following measures, taking into account the causes, degree, nature and frequency of non-compliance *{subparagraphs (a) to (g) below can be read together with any of the above options 1.1, 1.2 or 1.3}*:

- (a) **Option (a):** Notify the Party concerned where it identifies the potential to provide assistance.

**Option (b):** *No text.*

- (b) **Option (a):** Issue statements of concern / cautionary statements addressed to the Party concerned.

**Option (b):** *No text.*

- (c) **Option (a):** Report to the CMA on individual cases of non-compliance for situations where the Party concerned fails to implement the action plan referred to in paragraph *{cross reference to the implementation [and][or] compliance action plan, currently paragraph 53(e)}* above.

**Option (b):** *No text.*

(d) **Option (a):** Report to the CMA on individual cases of non-compliance.

**Option (b):** *No text.*

(e) **Option (a):** Send a confidential letter to the Party concerned.

**Option (b):** *No text.*

(f) Issue

**Option (a):** a declaration/finding/communication in relation to compliance.

**Option (b):** *No text.*

(g) Issue findings of fact in relation to compliance with provisions of the Paris Agreement.

(h) Take

**Option (a):** measures related with Article 6 of the Paris Agreement.

**Option (b):** *No text.*

**Option 2:** The Committee is to follow up on the progress made by the Party concerned in improving implementation and/or achieving compliance

**Option 3:** *No text.*

#### Follow-up by the Committee

57. **Option 1:** The Committee is to follow up on the progress made by the Party concerned in its implementation [and][or] compliance.

(a) Such follow-up to be facilitative in nature.

(b) The Committee to develop working methods regarding follow-up (including additional guidelines with further steps and measures for the Committee and in light of the respective measures taken).

(c) The initiation of a follow-up by the Committee

**Option 1.1:** To require consent by the Party concerned.

**Option 1.2:** *No text.*

**Option 2:** *No text.*

## **F. Consideration of systemic issues**

58. **Option 1:** The Committee may examine [systemic] [general] issues of implementation and compliance including recurrent issues and common sources of difficulties for implementation and compliance [in regard to the provisions of the Agreement] faced by a number of Parties [that it may identify in the course of its work] [on the basis of information in section G] [and][or] [upon the request of the CMA]. The Committee upon the consideration of the issue is to report back to the CMA [and where appropriate make recommendations] [including that this report may serve as an input into the GST].

○ **Option 1.1:** In considering such issues, the Committee should aim to avoid duplication of effort and take into account mandates of other constituted bodies and arrangements under or serving the Paris Agreement.

○ **Option 1.2:** *No text*

**Option 2:** The Committee may examine systemic issues of implementation and compliance including with obligations of articles 4, 7, 9 and 13 by a number of Parties identified by the secretariat or upon the request of the CMA. The Committee upon the consideration of the issue to report back to the CMA and where appropriate make recommendations.

**Option 3:** At the request of the CMA, the Committee may consider systemic issues of implementation and compliance.

**Option 4:** *No text.*

## G. Sources of information

### 59. Option A:

**Option 1 of chapeau:** After the initiation of the Committee's work:

**Option 2 of chapeau:** *No text.*

- (a) The Committee is to take into account relevant information received from the Parties concerned.
- (b) The Committee may seek expert advice.
- (c) The Committee may seek or receive and consider relevant information from sources, such as:
  - i. Registries established under the Paris Agreement;
  - ii. Nationally determined contributions of Parties;
  - iii. Information under Article 13 of the Paris Agreement;
  - iv. Information on the status of submissions under Articles 4, 7 and 9 of the Paris Agreement;
  - v. Information from the subsidiary and constituted bodies and other bodies and institutional arrangements and forums under or serving the Paris Agreement
  - vi. Information made available by the secretariat in accordance with the relevant mandates.
- (d) The Committee, any Party or others involved in its deliberations are to protect the confidentiality of information received in confidence.

**Option B:** The Committee, any Party or others involved in its deliberations are to protect the confidentiality of information received in confidence from the Party concerned.

*{The following element contained under this item in the Informal Note may require further clarification: "In particular, for how to engage with Party concerned, and specific facilitative measures"}*

## H. Relationship with the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement

### Option A: *{paragraph 60 only}*

60. **Option 1:** Pursuant to Article 15 of the Paris Agreement, the Committee is to operate under the overall guidance of and report annually to the CMA on its activities and any decisions taken in the reported period with respect to implementation [and][or] compliance.

**Option 2:** Pursuant to Article 15 of the Paris Agreement, the Committee is to report annually to the CMA on its activities and any decisions taken in the reported period.

### **Option B:** *{paragraph 60 as above and paragraphs 61–62 below}.*

#### Content of reporting:

61. *{options below are not necessarily mutually exclusive}:*

**Option 1:** *{No text may be required further to paragraph 60 (Reports on its work)}.*

**Option 2:** The annual report of the Committee to the CMA is to include information on any decisions adopted by the Committee with respect to implementation [and][or] compliance by Parties;

- **Option 2.1:** *{No text may be required further to paragraph 60 (Reports on all to CMA)}.*
- **Option 2.2:** The Committee is to include in its annual report to the CMA information on any decisions with respect to implementation [and][or] compliance by a Party provided that the Party concerned so requests.
- **Option 2.3:** The annual report of the Committee to the CMA is to include information on any decisions adopted by the Committee, with the exception of any decisions with respect to review initiated by the Party concerned in accordance with paragraph *{cross reference to the paragraph on self-referral in section C, currently paragraph 24.1}*.
  - With regard to consideration of issues initiated by self-referral, the annual report to the CMA is not to identify the names on the Party or Parties concerned, but may provide the number of self-referrals made
- **Option 2.4:** The Committee is to include in its annual report to the CMA any information related to failure by Parties to implement the implementation [and][or] compliance plan referred to in paragraph *{cross reference to the paragraph on implementation [and][or] compliance plan in section E, currently paragraph 53(e)}*.

**Option 3:** {No text may be required further to paragraph 60 (A summary of its activities and actions taken)}.

**Option 4:** The Committee is to include in its annual report to the CMA any information related to

- **Option 4.1:** consideration of systemic issues under section F above.
- **Option 4.2:** recurring issues with respect to implementation [and][or] compliance by a Party.
- **Option 4.3:** any systemic issues identified.

**Option 5:** The report to the CMA shall be anonymous with regard to the names of the Parties concerned.

Recommendations to the CMA:

62. **Option A:** The Committee is to include in its reports to the CMA for its consideration any recommendations with respect to

*{options below are not necessarily mutually exclusive}:*

- (a) **Option 1:** Any measures that implicate important issues under the Paris Agreement or may affect the mandated work of other bodies or arrangements under or serving the Paris Agreement;
- (b) **Option 2:** Measures in relation to support required to address implementation [and][or] compliance by a Party, including prioritization of technical assistance and capacity-building;
- (c) **Option 3:**
  - **Option 3.1:** Any measures to address cases of repeated non-compliance;
  - **Option 3.2:** *No text.*
- (d) **Option 4:** Measures to address any systemic challenges or barriers identified in accordance with section F above; *{Note: Possible duplication with section F to be considered}*
- (e) **Option 5:** Any measures proposed to address implementation [and][or] compliance by a Party, at the request of the Party concerned.

**Option B:** The Committee is to include in its reports to the CMA for its consideration any recommendations with respect to implementation of and compliance with the provisions of the Agreement.

## **I. Review of the modalities and procedures**

63. **Option 1:** The CMA is to undertake, at the latest by CMA [x], a review of these modalities and procedures based on the experience gained with their implementation.

**Option 2:** The CMA is to regularly review the implementation and effectiveness of these modalities and procedures.

**Option 3:** The Committee is to regularly review the implementation of these modalities and procedures with a view to making recommendations for consideration by the CMA on any revisions to improve their effectiveness.

**Option 4:** The CMA is to undertake, every five years from

**Option (a):** the adoption of the rules of procedure / **Option (b):** 2024/2025,  
a review of these modalities and procedures based on the experience gained with the implementation with a view to improving their effectiveness.

## **J. Secretariat**

64. The secretariat referred to in Article 17 of the Paris Agreement is to serve as the secretariat of the Committee.

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## **Revised additional tool under item 8 of the agenda**

**Further matters related to implementation of the Paris Agreement: (a) Preparing for the convening of the first session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement; (b) Taking stock of progress made by the subsidiary and constituted bodies in relation to their mandated work under the Paris Agreement and section III of decision 1/CP.21, in order to promote and facilitate coordination and coherence in the implementation of the work programme, and, if appropriate, take action, which may include recommendations**

### **Informal document by the Co-Chairs**

*Final iteration 08/09/2018 @ 20:45 hrs*

1. This note captures the progress of Parties' work under agenda item 8, "Further matters related to implementation of the Paris Agreement: (a) Preparing for the convening of the first session of the Conference of the Parties serving as the meeting of the Parties to 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 our responsibility as co-facilitators of this item.
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.

## **I. Initial guidance to the operating entities of the Financial Mechanism**

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

*Recalling* Article 9, paragraph 8, and Article 19 of the Paris Agreement,

*Taking note* of decision 1/CP.21, paragraphs 58 and 61–64,

1. *Confirms* that the Standing Committee on Finance shall serve the Paris Agreement in line with its functions and responsibilities established by the Conference of the Parties;

### ***[Option 1: CMA to request the SCF to prepare draft guidance***

2. *Requests* the Standing Committee on Finance to prepare draft guidance for the entities entrusted with the operation of the Financial Mechanism on the policies, programme priorities and eligibility criteria for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its second session (November 2019);
3. *Invites* Parties and observers to submit to the secretariat, annually and in writing 10 weeks prior to each session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, their views and recommendations on the elements to be taken into account by the



Standing Committee on Finance in developing the draft guidance for the entities entrusted with the operation of the Financial Mechanism;

4. *Requests* the Standing Committee on Finance, in preparing the draft guidance referred to in paragraph [2] above, to take into consideration the information to be provided by the operating entities of the Financial Mechanism in accordance with Article 9, paragraph 9, of the Paris Agreement and decision 1/CP.21, paragraph 64, previous guidance of the Conference of the Parties to the operating entities of the Financial Mechanism, the [reference to the draft PAWP outcomes text(s)] and the views and recommendations of Parties and observers referred to in paragraph [2] above;

5. *Decides* to consider, at its second session, the draft guidance referred to in paragraph [2] above;]

*[Option 2: No recommendation from the APA to CMA 1 since no mandate is required from the CMA to the SCF, as the SCF already has the mandate]*

## **II. Initial guidance to the Least Developed Countries Fund and the Special Climate Change Fund**

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

*Recalling* Article 19 of the Paris Agreement,

*Recalling also* decision 1/CP.21, paragraph 58,

1. *Confirms* that the Least Developed Countries Fund and the Special Climate Change Fund shall serve the Paris Agreement;

*[Option 1: CMA to request the SCF to prepare draft guidance]*

2. *Requests* the Standing Committee on Finance to prepare draft guidance on the Least Developed Countries Fund and the Special Climate Change Fund[, as part of draft guidance to the Global Environment Facility,] on support for developing country Parties with respect to the implementation of the Paris Agreement for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its second session;

3. *Invites* Parties and observers to submit to the secretariat, annually and in writing 10 weeks prior to each session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, their views and recommendations on the elements to be taken into account by the Standing Committee on Finance in developing the draft guidance on the Least Developed Countries Fund and the Special Climate Change Fund;

4. *Requests* the Standing Committee on Finance, in preparing the draft guidance referred to in paragraph [2] above, to take into consideration decision 1/CP.21, paragraph 64, previous guidance of the Conference of the Parties on the Least Developed Countries Fund and the Special Climate Change Fund, the [reference to the draft PAWP outcomes text(s)] and the views and recommendations of Parties and observers referred to in paragraph [3] above;

5. *Decides* to consider, at its second session, the draft guidance referred to in paragraph [2] above;]

*[Option 2: No recommendation from the APA to CMA 1 since no mandate is required from the APA to the CMA to the SCF, as the SCF already has the mandate]*

### **III. Guidance on the adjustment of existing nationally determined contributions in accordance with Article 4, paragraph 11, of the Paris Agreement**

*[Option 1: No recommendation from the APA to CMA 1]*

*[Option 2: CMA to request SBSTA to prepare draft guidance]*

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

*Recalling Article 4, paragraph 11, of the Paris Agreement,*

1. *Requests* the Subsidiary Body for Scientific and Technological Advice to prepare draft guidance on adjustment of existing nationally determined contributions in accordance with Article 4, paragraph 11, of the Paris Agreement, for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its [third] session [(2020)].]

### **IV. Modalities for biennially communicating finance information on the provision of public financial resources to developing countries in accordance with Article 9, paragraph 5, of the Paris Agreement**

*[Option 1: CMA to initiate technical work on the process]*

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

*Recalling Articles 3, 4, 9, 10, 11 and 13 of the Paris Agreement,*

*Recalling also Articles 4 and 11 of the Convention,*

*Recalling further decision 1/CP.21, paragraphs 55, 57 and 95, decision 5/CP.20, paragraph 10, and decision 3/CP.19, paragraph 10,*

1. *Decides* to establish a registry of the information communicated by developed country Parties in accordance with Article 9, paragraph 5, of the Paris Agreement;
2. *Requests* the secretariat to prepare a synthesis report for consideration by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;
3. *Decides* that developed country Parties shall biennially communicate information in accordance with Article 9, paragraph 5, of the Paris Agreement covering the implementation period consistent with the time frames established in decision [X]/CP.24 pursuant to Article 4, paragraph 10, of the Paris Agreement;
4. *Requests* developed country Parties to submit their first biennial communication of indicative support for consideration by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its second session;
5. *Decides* to initiate the facilitative multilateral consideration of progress and technical expert review of information provided and reported by developed country Parties and constituted bodies under the Paris Agreement in accordance with Article 13.9, 13.11 and 13.12, with a view to capturing progress in meeting the financial obligations under the Paris Agreement in accordance with Articles 3 and 9 of the Paris Agreement;]

*[Option 2: No recommendation from the APA to CMA 1 as no specific additional matter needs to be considered by CMA 1 because this matter is not part of the Paris Agreement]*

## **V. Setting a new collective quantified goal on finance in accordance with decision 1/CP.21, paragraph 53**

*[Option 1: CMA to initiate technical work on the process for setting the goal at CMA 2 or at a future session]*

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

*Recalling* decision 1/CP.21, paragraph 53,

*Noting* the 2018 biennial assessment and overview of climate finance flows of the Standing Committee on Finance [*reference to the document with the SCF Biennial assessment*],

1. *Decides* to initiate the consideration of the new collective finance goal and to approve it no later than its session to be held in 2023;
2. *Requests* the Standing Committee on Finance, in accordance with its mandate, to prepare a technical report on the modalities and scenarios for the establishment of the new collective goal, taking into consideration the needs and priorities identified by developing countries, to be presented to the CMA for its consideration, no later than 2020.]

*[Option 2: No recommendation from the APA to CMA 1. [The CMA does not need to initiate a process. The only role of the CMA is to set the goal.] [It is premature for the CMA to launch work on this matter.]]*

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### **In-session submission on loss and damage made at APA 1.5**

*[Option 1: The CMA to consider the issue of modalities, procedures and guidelines for enhancing understanding, action and support for loss and damage in accordance with Article 8, paragraphs 3 and 4, of the Paris Agreement, taking into account the footnote in the agenda of CMA 1]*

*[Option 2: No recommendation from the APA to CMA 1]*

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