

# **Co-Chairs' Summary of the Presidencies' Consultations on the Enhanced Transparency Framework**

**9–10 September 2021**

We were pleased to convene this multilateral consultation with Heads of Delegation (HoDs), from 9 to 10 September 2021, focusing on issues related to the Enhanced Transparency Framework (ETF) of the Paris Agreement. The objective of this consultation was to provide an opportunity for Parties to discuss two key issues relating to the ETF, specifically:

- the format(s) Parties will use to track progress in achieving and implementing their national determined contributions (NDCs), and
- the flexibilities that Parties may use to support their climate reporting,

with the aim of sharing ideas and constructive solutions that will help us reach an agreement at COP26.

During these consultations, HoDs engaged in meaningful discussions, providing clear and constructive input on all issues. Consideration of the views both moved the dialogue forward on this critical element of the Paris Rulebook, but also reflected the urgent need to further advance discussions prior to COP26.

Following opening remarks from Mr. Julio Cordano and Mr. Archie Young, representing the COP25 and COP26 presidencies, welcoming remarks were made by the Chair of the Subsidiary Body for Scientific and Technological Advice (SBSTA), Mr. Tosi Mpanu Mpanu.

Updates were provided on the recent Article 6 and Common time frames consultations, before participants were invited to share their views on two guiding questions relating to the ETF:

1. The structured summary is a key vehicle to report information to track progress made in implementing and achieving NDCs. What are the key outstanding issues to be resolved in the development of this element of the ETF, and how might we reconcile different views on the format of the structured summary?
2. Recognizing the different starting point in reporting by Parties, how should flexibility be best reflected in reporting formats, to ensure that the ETF can be implemented by all Parties and facilitate reporting over time?

An overview of the discussion between HoDs in response to these questions is set out below and a summary of the updates provided on Article 6 and Common time frames consultations can be found in Annex I.

## **Enhanced Transparency Framework**

In response to the guiding questions, HoDs signalled the key issues within the ETF discussions that need to be resolved to unlock the full potential of the Paris Agreement. Participants highlighted that Parties urgently need to make progress on the ETF in the limited time available to complete the mandated work for COP26, which is vital for Parties to prepare and submit the first biennial transparency reports by 2024. A number of HoDs indicated that further technical work is essential, with a particular need to find space during the pre-session period. Some HoDs welcomed the SBSTA Chair's proposal of an in-person technical workshop before COP26 if logistically possible, noting that further virtual discussions will have limited benefit to advancing this discussion.

HoDs recognized the need for capacity building support for transparency. Some HoDs highlighted that without appropriate capacity-building and financial support, developing country Parties cannot implement the ETF. Therefore, the conclusion on the related SBI items, including the terms of reference of the Consultative Group of Experts and provision of financial and technical support in relation to reporting of developing countries, is also important. Some participants also indicated that appropriate

and adequate support to developing countries for reporting under the ETF and for developing their national systems, together with a “roadmap for support” for reporting in the next 2–3 years, should be part of a balanced package of transparency items to be agreed at COP26.

Several HoDs highlighted that the informal notes from the May–June 2021 sessions are a useful basis and starting point for discussion. To further set the stage for success ahead of COP26, several Participants suggested that the SBSTA Chair could prepare, with the support of the secretariat, a non-paper on options for reporting under the ETF. This non-paper could include a full set of tables for reporting GHG inventories and tracking progress, outlining clear options for Parties to consider. A representative of a group of Parties indicated its lack of support for the SBSTA Chair preparing a non-paper, given the sensitivity of this issue and wide divergence of views.

#### *Identifying key outstanding issues for the structured summary*

Most HoDs indicated that the main issue hindering progress on the structured summary is **agreement on its format**. Some HoDs noted that, consistent with the MPGs, information for the structured summary must be reported in a narrative and tabular format. Others recalled that indicators for tracking progress of NDCs could be qualitative or quantitative, therefore Parties could use different formats or approaches for reporting progress.

Several HoDs recalled the need to adhere to the **mandate given to the SBSTA** to develop common tabular formats (CTFs) for the reporting of information necessary to track progress made in implementing and achieving NDCs in accordance with the modalities, procedures and guidelines (MPGs) for the ETF. In the light of this, regardless of whether the information is reported in tabular format, narrative format or both, the mandate of SBSTA is to develop the common reporting formats. Some HoDs acknowledged the importance of the mandate while noting that Parties may have a different interpretation on what has been agreed.

One HoD, representing a group of Parties, stressed that the **content of the information to be provided in the structured summary is more important than its format**. Reporting formats should be in line with countries’ capabilities and be simple and inclusive, and Parties should be able to choose different reporting formats that fit best to their NDCs. Some HoDs reiterated the importance of the common nature of reporting for the structured summary.

Most HoDs recognized that the **informal note prepared to capture progress at the May–June 2021 sessions is a starting point and reflects well the different views**, and that examples of tables provided can accommodate all NDCs, including narrative formats through use of documentation boxes, footnotes and references to the BTR. Some participants encouraged Parties to explore whether the tables in the informal note accommodate their NDCs and reflect national circumstances. Some HoDs expressed their disappointment with options in the informal note that go beyond the mandate and indicated that discussions on CTFs is not an opportunity to renegotiate the MPGs or backslide on earlier agreements. Again, Parties raised the notion that there are different views on what was previously agreed.

Several HoDs reflected on the importance of reaching a solution under Article 13 that is **without prejudice to the outcomes of negotiations on Article 6** and expressed support for a close coordination between the two negotiation groups. Some HoDs indicated that outcomes on Articles 6 and 13 should be consistent and complementary, in particular in the application of corresponding adjustments. Some HoDs indicated that Article 6 and Article 13 negotiations could progress in parallel, but an appropriate framework and outcome from Article 6 needs to be finalized before transparency negotiations on the structured summary can be finalized. This approach could be realized through a placeholder for the Article 6 outcomes. Others indicated that an agreement on the structured summary should be reached first, while Article 6 could be finalized in parallel or after the negotiations on the structured summary, with additional details to be included in a separate work programme for future sessions.

#### *Identifying best ways of reflecting flexibility in reporting tables and formats*

Most HoDs consistently identified flexibility as a key issue to resolve on transparency. HoDs recalled in this discussion the need for a common understanding of previous agreements and a collective

commitment to the ETF, ensuring that flexibility provisions allows the international community to identify capacity constraints and needs for reporting. In this discussion, some HoDs highlighted that continuous improvement is a basic principle of the MPGs and that Parties are not expected to be perfect in their reporting. To enhance reporting, HoDs highlighted the importance of providing capacity building for developing country Parties.

From the outset, several HoDs recognized **that flexibility is well reflected and clearly defined in the MPGs for each relevant provision**, and the MPGs fully reflect and deliver on para. 89 of decision 1/CP.21. In this regard, many HoDs noted that the task in front of Parties is to implement in the common reporting tables (CRTs) the flexibilities as defined in the MPGs, and not to discuss new or broad flexibilities. On the other hand, some HoDs emphasized that application of **specific flexibilities defined in the MPGs does not limit further flexibilities from being applied by Parties when reporting CRTs**.

Some HoDs envisioned a **transition from unlimited use of flexibilities initially** to less reliance on flexibility over time, the length of this transition being dependent on the implementation of national reporting systems in developing country Parties. It was noted that this in turn will depend on the provision of adequate support and capacity-building.

Some HoDs stressed that developing country Parties **have different starting points for reporting** and that use of more detailed tables will be a burden for developing country Parties. Some HoDs noted that the simpler tables provided by some groups of Parties could be a starting point. Others highlighted that this burden could be addressed by allowing developing countries to delete elements of the CRT, as not all tables are mandatory. Recognizing that CRTs should enable broader flexibility in the scope, frequency and level of detail of reporting, some HoDs noted that Parties should have options to use notation keys, colours or shading and to delete specific rows, columns or tables. Some HoDs shared the view that proposals to allow use of flexibility beyond the relevant provisions referred to in the MPGs (including the scope, frequency and level of reporting) would not be supported, as this is perceived as reopening the agreement reached in Katowice. Some HoDs noted that the deletion of rows, columns or tables compromise the principles of transparency, accuracy, completeness, consistency and comparability, make CRTs not common for all Parties and would not allow Parties to demonstrate improvement over time.

Some HoDs highlighted that the informal note prepared to capture progress at the May–June 2021 sessions provides clear examples of how to apply specific flexibilities.

## **Conclusions**

We would like to thank the participants for joining this discussion on these two key topics. We were pleased that Parties were willing to share their views and engage with others in a constructive manner. We heard very clearly that resolving the outstanding issues on the ETF is crucial to a successful COP26, as well as to ensuring longer-term implementation of the Paris Agreement.

We noted that the informal notes prepared to capture progress at the May–June 2021 sessions provide a snapshot of the latest thinking. We see the opportunity to finalize our discussions at COP26 but we should make the best use of the limited time we have available.

We heard the need to adhere to the mandates and not reopen them, but we noted that there are different understandings and interpretations on what our mandate is. We understand that undertaking a new reporting regime is daunting for both developing and developed country Parties. This requires practical and political consideration. Those with more experience have built up tools and systems, which points to the importance of capacity building and the need to prioritize support for this journey. We heard the willingness of developed country Parties to share experiences and provide support..

Regarding the structured summary, Parties have much experience of managing the sequencing between issues. Under the guidance of the SBSTA Chair, there should be a way forward that means no issue waits for the other and both can progress in parallel. We are confident that the SBSTA Chair will build

on our collective experience to manage the process and choreography, relying on trust that we are all taking issues forward equally.

The application of, and limits to, flexibility provisions, is a technical problem that is being challenged by political issues. Some issues require technical solutions that our experts are working on, but some issues relate to political dynamics that may fall to us as HoDs to resolve.

Time is short and we need to provide political answers to resolve these issues, so we can reach an agreement in Glasgow. Discussions at Pre-COP can help in advancing understanding of technical and political considerations, but further engagement is needed. We should continue to build momentum towards the agreement and reflect further on these issues ahead of COP.

We as presidencies, together with the SB Chairs and the secretariat, are fully at Parties' disposal for further discussion. Please, reach out to us, and to each other, to drive this key issue forward.

## **Annex I**

### **Summary of updates provided at the Presidencies' consultations on 9-10 September**

#### Article 6 of the Paris Agreement

Singapore's HoD Joseph Teo reported on progress under the ministerial track on Article 6, led by Minister Grace Fu from Singapore and Minister Sveinung Rotevatn from Norway. During the July Ministerial meeting, ministers discussed the feasibility of the bridging proposals, suggested by Parties in two virtual consultations held on 7 and 12 July.

The ministers recognised that the next stage of consultations merited more targeted bilateral dialogues and deeper engagement to understand concerns, find room for compromise, and co-develop solutions that could be the basis for the package in Glasgow. These bilateral consultations are urgent and necessary in the lead-up to pre-COP and can be requested through the secretariat.<sup>1</sup> Co-facilitators will take stock on progress along the way and assess if there is emerging common ground. They have worked and will continue working with the COP26 presidency and SBSTA Chair to ensure there is space allocated within the experts, HoDs and Ministerial processes to deal effectively with issues raised by Parties.

Ministers will discuss Article 6 again at the pre-COP in October. Following the pre-COP, if required, there remains the option of a report back from the ministers of Singapore and Norway to Parties on the informal ministerial consultations.

#### Common Time Frames

Switzerland's HoD Franz Perrez, reported that on 7 September 2021, Minister Jeanne d'Arc Mujawamariya from Rwanda and Minister Simonetta Sommaruga from Switzerland convened a Ministerial-level consultation under the authority of the incoming COP Presidency. Both ministers were grateful for the participation of all those who attended and noted that engagement was very constructive. Discussions focused on three guiding questions. A wealth of interventions helped to enhance understanding of Parties' circumstances, needs and concerns. Interventions reflected a clear expectation to adopt a decision on this item at COP26 and that there is some urgency to resolve the issue as Parties will need sufficient time to prepare their next NDCs by 2025.

Noting some Parties' concerns that common time frames may constrain domestic planning processes, it was noted that the aim is to resolve the issue in a way that supports rather than constrains domestic processes. Therefore, between now and COP26, Minister Mujawamariya and Minister Sommaruga will continue bilateral consultations in the lead-up to pre-COP, at which point they will present an update on the status of their discussions. The two ministers will work together to present a solution to COP President Designate Alok Sharma ahead of COP26. Parties wishing to arrange further ministerial bilateral meetings prior to the pre-COP can request these via the secretariat<sup>2</sup>.

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<sup>1</sup> To express interest in these bilateral consultations, please send an email to [MinisterialArt6@unfccc.int](mailto:MinisterialArt6@unfccc.int)

<sup>2</sup> To express interest in these bilateral ministerial consultations, please send an email to [Rpayo@unfccc.int](mailto:Rpayo@unfccc.int)