



CLIMATE ACTION NETWORK

APA 5 Briefing: A Common, Flexible and Robust Enhanced Transparency Framework

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Climate Action Network (CAN) is the world's largest network of civil society organizations working together to promote government action to address the climate crisis, with more than 1300 members in over 120 countries. www.climatenetwork.org

Common, flexible, and robust rules for ambition

SB 48-2 needs to deliver a rulebook negotiations text for Katowice, reflecting clear, streamlined, and narrowed-down options, with sufficient detail for the outcome of the session to be swiftly turned into draft decision text by the Co-Chairs. At the heart of the rulebook, new modalities, procedures, and guidelines (MPGs) will form the Enhanced Transparency Framework (ETF).

The ETF is the inner compass of the Paris Agreement: It informs where collective and individual action are heading, builds trust in the common course and helps to align policies toward ambition. The ambition mechanism relies on the ETF to understand progress and step-up climate action.

A successful set of guidelines will be common, flexible, and robust. **Common** guidelines in the spirit of Paris will present a single set of the requirements for all Parties. However, these guidelines need to be **flexible** in that they recognize the different national starting points and provide flexibility for those developing country Parties that need it. **Robust** guidelines will ensure that reporting on emissions and progress match actual emissions and actual progress and the ETF lives up to its purpose.

Robustness:

The MPGs should ensure that accurate qualitative and quantitative information on mitigation, adaptation, finance, policies and measures, and projections are submitted by Parties. Standardised reporting formats such as reporting tables should be used to ensure transparency and comparability. Those Parties participating in cooperative implementation under *Article 6* should be held to the highest standard to avoid double counting.

National Inventories (Art 13.7a)

Parties should comprehensively report on all greenhouse emissions using the most recent IPCC guidelines and Global Warming Potentials (GWPs) for the estimation of Greenhouse

Emission Inventories¹. Flexibility should be applied to developing countries in the light of their capacities using the tiers of the IPCC methodology as well as opt-out options for HFCs, PFCs, SF6 and NF3 (see below).²

Tracking Progress (Art 13.7b & 1/CP.21 paragraph 27-28 & paragraph 31b)

All Parties - except SIDS and LDCs³ - should as a minimum report '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,' as outlined in *1/CP.21 paragraph 27-28*.

Additionally, Parties should provide information on the methodologies used, including on baselines, between the communication and implementation of the NDC in line with paragraph *1/CP.21 31b* and additional detailed information on NDC-specific and common elements, based on the information outlined in the Paris Agreement to facilitate clarity, transparency, and understanding (*1/CP.21 para 28*).

Climate Change Impacts and Adaptation Article 13.8

Countries should provide at least forward-looking information. Duplications and undue burdens need to be avoided; it is, therefore, essential to streamline the reporting under *Article 13.8 and Article 7*.

Support provided and mobilized (Art 13.9)

Developed countries are required to report information on financial, technology transfer, and capacity-building support provided to developing countries. Building on existing reporting requirements and taking into account the work under SBSTA on financial accounting modalities, common guidelines for developed countries need to be agreed to enhance the way Parties report on support provided and mobilized, developed country Parties should specifically ensure at a minimum:

- reporting at project-by-project level,
- reporting of grant-equivalent for non-grant instruments,
- reporting of actual climate-specific (proportion of) funds and mutual agreement between countries about projects/funds to be included in future reports, use and follow the SBSTA definition of climate relevance,
- calculate the share of funding reported in the Common Table Framework.

Other Parties providing support should also report on their support provided and are encouraged to use the same modalities as developed country Parties.

¹ This includes all seven greenhouse gases as well as other emissions driving global warming such as particles.

² All countries shall use the highest tiers of the most recent IPCC guidelines to report on voluntary Article 6 mechanisms (see below).

³ If SIDS or LDCs voluntarily choose to use mechanisms under article 6, no additional flexibility shall be granted.

Support received and needed

Parties should maintain the biennial reporting frequency as a minimum, reflecting a country's circumstances without creating a burden to developing countries.

Role of Civil Society and Observers during the Facilitative, multilateral consideration of progress

The facilitative, multilateral consideration of progress (FMCP) is the second stage of the review of progress by Parties that includes interactions among Parties regarding their transparency reports. This FMCP builds on the experience of the transparency framework established under the Cancun Agreements that already includes such an interactive phase (the Multilateral Assessment for developed countries and the Facilitative Sharing of Views for developing countries).

The interactive stage of the current transparency framework excludes any civil society inputs so a strong civil society message on the importance and value of its participation in the process will be key to securing a more inclusive process under the Paris Agreement.

Guaranteeing that civil society has an opportunity to contribute effectively to the FMCP will increase the value of this process by enriching the discussions and offering an opportunity for actors with in-country knowledge regarding the implementation of climate policies to provide relevant information during this process.

Flexibility (Art 13.2 & 1/CP.21 Para. 90)

Article 13.2 makes flexibility a core concept of the ETF in order to allow all Parties to participate in the framework. To what extent developing parties utilize flexibility, is a country-driven decision to be based on their capacities. To ensure country-driven decisions as well as comparability, the MPGs need to set minimum floors for the frequency, scope, and level of detail provided as well as guidelines how flexibility is applied. Full flexibility applies to the least developed countries (LDCs) and small island developing states (SIDS) in line with COP decision *1/CP.21 paragraph 90* and *Article 13.3*.

Per *Articles 13.2* and *13.3*, flexibility applies to those developing countries that “need it in the light of their capacities” and the special circumstances of SIDS and LDCs are recognized. Therefore, flexibility does not automatically apply to all developing countries.

Flexibility needs to be conceptualized as a vehicle to enable countries to participate in the ETF and advance their reporting over time, as national circumstances evolve and capacities improve. The capacity building mechanisms must provide sustainable models and align with the needs of developing countries under the transparency framework to help them achieve maximum clarity and accuracy in submissions and to continually improve as implementation progresses.

Flexibility should be reflected in each element of the MPGs. In the course of the MPGs, Parties may wish to operationalize flexibility based on the following approach:

Each Party [shall/should] apply the highest standard, except those developing country Parties that need flexibility in the light of their capacities that [should/may] [apply a lower standard].

Other modifications may be made to this approach, such as encouraging those Parties needing flexibility to apply the strictest standard to the extent possible in order to facilitate improvement over time.

The 3 August tool from the APA co-chairs utilizes this approach in some cases. However, it is important to note that this approach is not the only one that works. Other approaches to flexibility could be utilized. The approach above, though, does apply a **robust, common** standard to all Parties, while being **flexible** to support the participation of those developing country Parties that need flexibility in the light of their capacities.

Voluntary, “opt-in” provisions of the Agreement, such as participation in *Article 6.2* cooperative approaches and the *Article 6.4* mechanism is voluntary, which provides an inherent flexibility. In order to not undermine environmental integrity, transparency in governance, and avoid double counting, no additional flexibility shall be granted for *Article 6* mechanisms beyond the opt-in options for these mechanisms.

While flexibility for developing countries should be reflected in each of the elements of the MPGs of the ETF, it is particularly essential to operationalize flexibility for those paragraphs (*Article 13.7*) that apply to all Parties and use “shall” as an operative clause for reporting: reporting national GHG inventories under *Article 13.7a* and tracking progress under *Article 13.7b*.

Flexibility for reporting GHG Inventories under Art 13.7a

Within the most recent IPCC guidelines, developing countries may use the decision tree of the IPCC methodology to choose the most appropriate tiers to report on the national GHG emissions and removals. Additional flexibility may be provided to those developing countries that need it in light of their capacity in the form of opt-out options for reporting HFCs, PFCs, SF6 and NF3 if the corresponding emissions are insignificant do not exceed absolute or relative thresholds to be defined in the MPGs.

CAN believes that flexibility is offered in that utilizing *Article 6* mechanisms is voluntary. The default option for all Parties would be no use of *Article 6* mechanisms and that those Parties “opting-in” will not be able to then apply flexibility to their *Article 6*-related requirements.⁴ Any unit used towards another Party’s NDC or another objective outside the UNFCCC process will require a corresponding adjustment.⁵

⁴ This line of thinking applies only to requirements related to Article 6. Those developing country Parties needing flexibility in light of their capacities would still be able to apply appropriate flexibility measures to other requirements.

⁵ Accounting under this article should contribute to a clear, transparent, and accurate tracking of credits traded under **Articles 6.4 and 6.2**, as well as those traded outside of the UNFCCC process, such as under CORSIA. Emissions and removals must be accounted for under **Article 4.13** in a manner that ensures avoidance of double counting. **Article 6.2** and **Article 6.4** facilitate the transfers of emissions reductions and removals that may be used towards NDCs or towards other objectives outside of the UNFCCC process. Any units used towards another Party’s NDC or another objective outside of the UNFCCC process, will require a corresponding adjustment. Robust accounting includes working to avoid double counting.

Flexibility for tracking progress under Art 13.7b

All Parties should be required to report as a minimum information on their NDCs in line with *paragraph 27 of 1/CP.2*. Developing countries could be encouraged to report emission projections. Particularly for those Parties that may be unable to produce comprehensive emissions projections, information about policies, laws, regulations, standards and other enforceable provisions that are planned or implemented, for example, constitutes a leading indicator rather than a trailing indicator, and can thus complement quantitative information from inventories.

Interlinkages:

The ETF is one of the central elements of the Paris Agreement's implementation. To work effectively, though, guidelines for the ETF must connect to the other processes under the Paris Agreement. Linkages with cooperative implementation under *Article 6*, accounting for NDCs, adaptation communications, the global stocktake, and the compliance committee are vital to clarify.

The linkages between *Articles 4, 6, and 13* are discussed in more depth in a [new CAN Briefing](#) on the topic. But, briefly, discussions related to *Article 4* (under APA agenda item 3) and *Article 6* (SBSTA agenda item 12) are vitally important for how Parties plan to track progress in implementing and achieving their NDCs.

Provisions for reporting on *Article 6* activities and transfers, including internationally transferred mitigation outcomes (ITMOs), should not be subject to additional flexibility beyond voluntary participation. Those Parties that decide to voluntarily participate in *Article 6* activities should not be exempt from reporting all information necessary to track progress as explained in the items above.

Reporting on climate change impacts and adaptation under the transparency framework should be aligned with *Article 7* adaptation communications to reduce the burden on Parties and eliminate unnecessary overlap.

The ETF will serve as a vital input to the global stocktake described in *Article 14*. As the global stocktake will assess collective progress, it is important that the transparency framework guidelines ensure that adequate relevant information is reported under *Article 13*. It will also be necessary to clarify how the information reported under *Article 13* is presented as inputs to the stocktake.

Information from the ETF can also serve as an input into the *Article 15* compliance committee when considering either individual cases or systemic issues. Outputs from the technical expert review may be especially useful in this case.