

**VIEWS OF BRAZIL, ARGENTINA AND URUGUAY  
ON APA AGENDA ITEM 5**

“Modalities, procedures and guidelines (MPG) for the transparency framework for action and support referred to in Article 13 of the Paris Agreement”

The Governments of Argentina, Brazil and Uruguay welcome the opportunity to submit their views regarding the modalities, procedures and guidelines (MPG) for the transparency framework for action and support referred to in Article 13 of the Paris Agreement (FCCC/APA/2016/4, Paragraph 23), in response to APA invitation at the second part of its first Session (APA 1-2).

Argentina, Brazil and Uruguay are of the view that it is necessary to seek balance and consistency between transparency of support and transparency of action. The development of the modalities, procedures and guidelines (MPG) related to action and support must bear in mind that there has been already important developments of methodological arrangements for transparency of action under the Convention for both developed and developing countries, while transparency of support requires the establishment of new and enhanced arrangements. Hence, the organization of work should allocate more time for the discussions on transparency of support, in relation to transparency of action, in order to achieve balance among both.

Developed countries have a much deeper experience in applying guidance under the current transparency arrangements under the Convention over several reporting cycles, while most developing countries have gone through just a few cycles of the applicable transparency arrangements (National Communications, BURs, ICA/FSV). There are very different starting points, number of reporting cycles, experiences and different learning curves between developed and developing countries; these on top of the differences in terms of capacity and financial and technological resources. The development of the MPGs has to take into account such differences, in order to enhance transparency of each Party, while allowing for overall participation and avoiding backtracking.

Under Article 13, the enhanced transparency framework for action and support will be applicable to all Parties, with flexibility being provided to developing countries that need in light of their capacities. It is the view of Argentina, Brazil and Uruguay that such flexibility does not necessarily imply the creation of parallel processes. The transparency framework should be guided by common MPG, applied immediately and in its entirety to all developed countries, but within which developing countries will have flexibility. Such flexibility may be operationalized, for instance, through the scope of reporting and review, deadlines for submission of information, frequency of submission of information and review, level of detail of reporting and review, as well as through support for the implementation of the provisions in Article 13. The facilitative multilateral consideration of progress will, as a consequence, reflect the flexibility of reporting and review requirements.

In this context, Argentina, Brazil and Uruguay would like to highlight the understanding that the references to support under Article 13, paragraphs 14 and 15, in conjunction with the "continuation of developed countries' existing obligations under

the Convention"<sup>1</sup> on financing include the provision of resources to cover the agreed full costs of preparing national communications, national inventories reports, as well as any transparency reports pursuant to Article 13 of the Paris Agreement.<sup>2</sup>

In addition to financial support from developed to developing countries, it is extremely relevant to ensure the budgetary resources for the UNFCCC secretariat to guarantee adequate human and technical resources to a MRV system encompassing all Parties – ensuring at the same time the frequency and quality required under the Paris Agreement.

Argentina, Brazil and Uruguay are also of the view that the "progression principle" established in Article 3 of the Paris Agreement applies to the enhanced transparency framework. Developing countries will need flexibility and support to operationalize it and enhance over time. Developed countries should not backtrack from the current reporting and review stringency, frequency and quality, while also seeking to increase the level of transparency, accuracy, consistency, comparability and completeness (TACCC) of their efforts.

Furthermore, the overall operating procedures of the transparency framework developed under the APA must ensure balance and consistency between transparency of support and transparency of action. The modalities, procedures and guidelines for transparency of support must incorporate the modalities for the accounting of financial resources provided and mobilized through public interventions in accordance with Article 9, paragraph 7 of the Paris Agreement, which are being developed by the SBSTA. The discussions under SBSTA on the modalities for the accounting of financial resources provided and mobilized through public interventions have advanced in terms of substance and it is expected that the result of this work will feed into the broader MPG for the transparency framework for action and support. Close coordination between the SBSTA chair and the APA co-chairs will be necessary in that regard.

Whereas SBSTA will specifically develop the modalities for the accounting of financial resources, the procedures developed under the APA for reporting, reviewing and multilateral consideration of information of support should follow a strict parallelism with the procedures that apply for information on action.

For instance, with regards to the review procedures, there is an urgent need to enhance verification of information on support provided. As of today, the IAR process does not allow for an effective space for Parties to assess information included in their common tabular formats, part of the Biennial Reports. This must be enhanced and harmonized in the context of whichever arrangements are agreed under the transparency framework. The MPG should allow for the review of "ex post" information on support (referred to in Article 9.7) in light of the submissions of indicative "ex ante" information on support (referred to in Article 9.5). This would shed light on the flows of support provided and mobilized through public efforts, improve our understanding of the global climate finance flows and allow for aggregation for consideration under the Global

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<sup>1</sup> as set out in Article 9.1 of the Paris Agreement

<sup>2</sup> as set out in Article 13, paragraphs 14 and 15 of the Paris Agreement, in conjunction with Article 4.3 and 12.1 of the Convention.

Stocktake.

Argentina, Brazil and Uruguay are pleased to present its views on the following specific questions, in the light of the general aspects expressed above:

**(a) What should be the specific components of the modalities, procedures and guidelines for the transparency of action and support under Article 13, paragraphs 7, 8, 9, 10, 11, and 12?**

Argentina, Brazil and Uruguay envisage the enhanced transparency framework operating on the basis of a common “rulebook”, outlining the modalities, procedures and guidelines for transparency of action and support, applied immediately and in its entirety to all developed countries, but within which developing countries will have flexibility. Before presenting a preliminary and non-exhaustive list of the components of the MPG, we would like to make some general remarks.

**In general**, the components of the MPG should be as detailed as possible, since “lessons learned” demonstrate that general guidelines do not necessarily mean flexibility. On the contrary, detailed guidance may actually be more helpful for implementing the enhanced transparency framework as it leaves less room for interpretation by reviewers, Parties and Secretariat. For instance, the broader character of ICA/FSV guidelines has sometimes created, in practice, obligations at least as stringent to developing country Parties than to developed countries, as well as different interpretations by the Team of Technical Experts (TTE) and the UNFCCC secretariat.

**On reporting:** Paragraph 90 of the Decision 1/CP.21 states that "all Parties, except for the least developed country Parties and small island developing States, shall submit the information referred to in Article 13, paragraphs 7, 8, 9 and 10, of the Agreement, *as appropriate*, no less frequently than on a biennial basis, and that the least developed country Parties and small island developing States may submit this information at their discretion". Argentina, Brazil and Uruguay are of the view that developed countries shall submit Biennial Transparency Reports (BTR), while **the submission and contents of developing countries' BTR shall be consistent with their capabilities and the level of support received**, pursuant to Article 13, paragraphs 2, 14 and 15.

Under the BTR, there would be a subset of components on which developing country Parties would report either in a voluntary and/or flexible manner (e.g. at a later stage in time to be defined) depending on the obligations arising from Article 13 (paragraphs 7, 8, 9 and 10), their capacities, and the level of support received. We believe that common MPG are feasible, however, **flexibility should be provided to developing countries to opt in and opt out from some of the components under the BTR**, according to the support received, their needs and in the light of their capacities, with the MPG reflecting such flexibility. Part of these components may also not follow a biennial cycle, having a longer cycle to respond to the above mentioned flexibility.

This approach would allow each developing country Party to reflect their

different capacities, in accordance with their national circumstances at a particular time. It acknowledges that “capacity” is not only related to technical capabilities, but also to the complexity of the nature and availability of the data, as well as the time demanded to produce results, linked to the level of financial support received, in accordance with UNFCCC Article 4, paragraph 3, Article 9, paragraph 1, and Article 13, paragraphs 14 and 15, of the Paris Agreement.

It should be noted that those Parties that decide to do so may submit their adaptation communication as part of the BTR in the context of the "should" provision of Article 13, paragraph 8, without creating any additional burden for developing country Parties.

**On review:** The “technical expert review” (TER) shall only be based on what is reported under Article 13, paragraphs 7 and 9. Therefore, the **review requirements under the MPG of Article 13 are an extension of the reporting requirements and consequently will reflect the same level of differentiation** referred to above. We emphasize that the information related to climate change impacts and adaptation (Article 13, paragraph 8) is not subject to review.

**On the “facilitative, multilateral consideration of progress” (FMCP):** Argentina, Brazil and Uruguay are of the view that Article 13, paragraph 11, describes a process analogous to the existing BUR/ICA/FSV and BR/IAR/MA arrangements, but with a clear difference regarding the diverse scoping of each successive stage, and where the FMCP corresponds to the FSV and the MA.

The FMCP offers an opportunity for Parties to highlight the implementation and achievement of their NDCs. The scope of the FMCP should be focused on Article 13, paragraphs 7 and 9.

Parties that decide to submit, as part of the BTR, as per article 13 paragraph 8, their adaptation communication, or any information related to climate change impacts and adaptation under Article 7, shall be consulted on whether and how this component – in its relation to the implementation and achievement of their NDC – is to be addressed under the FMCP.

Following the same rationale as above, the FMCP would be differentiated as a consequence of different reporting and review requirements. When designing the FMCP, it will be extremely important to **take into consideration lessons learned from the existing arrangements, particularly considering logistic and practical aspects** arising from the fact that the process will apply to a significant larger number of Parties.

## **SPECIFIC COMPONENTS OF THE COMMON MODALITIES, PROCEDURES AND GUIDELINES FOR THE TRANSPARENCY OF ACTION AND SUPPORT**

- I. Objectives of the enhanced transparency framework for action and support
- II. Process and scope
- III. Update of the MPG

## REPORTING GUIDELINES

- IV. Objectives
- V. National inventory report of anthropogenic emissions by sources and removals by sinks of GHG
- i) ...
  - ii) ....
  - (...)
  - n) *Opt in/opt out flexibility for developing countries*
- VI. Information necessary to track progress made in implementing and achieving the NDC under Article 4:
- i. Information necessary for clarity, transparency and understanding of the NDC under Article 4<sup>3</sup>
  - ii. Efforts and progress in implementing and achieving the NDC under Article 4<sup>4</sup>
  - iii. Trends and Projections
  - iv. Information related to Article 6, as appropriate<sup>5</sup>
  - v. *Opt in/opt out flexibility for developing countries*
- VII. Information related to climate change impacts and adaptation under Article 7, as appropriate<sup>6</sup>
- VIII. Information on financial, technology transfer and capacity-building support provided to developing country Parties under Article 9, 10 and 11<sup>7</sup>
- i. Information pursuant to Article 9.7
  - ii. Information pursuant to Article 9.5
  - iii. Information pursuant to Article 9.2, as appropriate
  - iv. (...)
- IX. Information on financial, technology transfer and capacity-building support needed and received under Article 9, 10 and 11<sup>8</sup>
- X. Biennial transparency reports
- i) ...
  - (...)

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<sup>3</sup> Pursuant to the guidance being developed under APA agenda item 3 on CTU

<sup>4</sup> Pursuant to the guidance being developed under APA agenda item 3 on accounting for NDCs

<sup>5</sup> Pursuant to the guidance being developed under SBSTA on Article 6 of the Paris Agreement. This component could be better reflected as a Technical Annex.

<sup>6</sup> As per Article 13, paragraph 8. Parties may choose to use the BTR as a vehicle to their adaptation communications, pursuant to guidance being developed under APA agenda item 4, as appropriate. This is an example of a component that does not necessarily need to be reported on a biennial cycle.

<sup>7</sup> Pursuant to the modalities being developed under SBSTA for accounting of resources provided and mobilized. Mandatory item to developed countries and voluntary to other Parties providing support, as per Article 9.2

<sup>8</sup> Component applicable only to developing countries. This component is not subject to review.

n) *Opt in/opt out flexibility for developing countries*

- XI. Other reporting matters  
i) Technical annexes  
(...)

## **REVIEW GUIDELINES**

- XII. Objectives
- XIII. Technical Expert Review
- A. Team composition and balance
  - B. Role and responsibilities
  - C. Interactions with the Party concerned, including assistance in identifying capacity building needs for developing countries Parties upon request.
  - D. Scope of the Review
    - i) ...  
(...)
    - n) *Opt in/opt out flexibility for developing countries*
  - E. Timeframes
  - F. Review reports
  - G. Role of the UNFCCC Secretariat
  - H. *Opt in/opt out flexibility for developing countries*

## **FACILITATIVE MULTILATERAL CONSIDERATION OF PROGRESS GUIDELINES**

- XIV. Facilitative, multilateral consideration of progress (FMCP) with respect to the implementation and achievement of the NDC
- A. Inputs for the FMCP
    - i) ...  
(...)
    - n) *Opt in/opt out flexibility for developing countries*
  - B. Process and timeframes of the FMCP
    - i) ...  
(...)
    - n) *Opt in/opt out flexibility for developing countries*
- XV. Facilitative, multilateral consideration of progress (FMCP) with respect to efforts under Article 9.<sup>9</sup>
- A. Inputs for the FMCP
  - B. Process and timeframes of the FMCP

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<sup>9</sup> Mandatory component to developed countries and voluntary to other Parties providing support, as per Article 9.2

- XVI. Outputs of the FMCP
- XVII. Role of the UNFCCC Secretariat

**(b) How should the transparency framework build on and enhance 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?**

As per decision 1/CP.21, paragraph 98, the MPGs for the transparency framework shall build upon and eventually supersede existing transparency arrangements, i.e. Parties undergoing the reporting, review and multilateral consideration process under the Paris Agreement would no longer be required to undergo the BUR/ICA/FSV and BR/IAR/MA processes.

In order to allow for a smooth transition between the existing MRV arrangements under the Convention and the enhanced transparency framework under the Paris Agreement, it is necessary to make the whole MRV system work to support the continuous enhancement of institutional in-country capacity, rather than rely on ad hoc arrangements. In this regard, there shall be, beyond the Capacity-building Initiative for Transparency (CBIT) and the Paris Committee on Capacity-building, a standing role for the committee established under Article 15 of Paris Agreement for facilitating implementation of transparency related provisions. Additionally, the historic work of the constituted bodies under the Convention, including the SCF, CGE, Adaptation Committee, TEC, among others, shall be taken into account in designing a framework that is flexible enough to have universal participation.

It is also necessary to promote a reflection based on lessons learned from the processes of International Assessment and Review (IAR) and International Consultation and Analysis (ICA), especially regarding the assessment and sharing of views with the participation of all Parties, with oral presentations followed by oral questions and answers, once now the process will include significantly more countries. The review and FMCP processes should be conducted in a timely manner (i.e., less than one year after submission of the BTR), with a view to allow their outcomes to serve as an input to the next BTRs. Some questions to consider could include: How to make them feasible and efficient? How to make better use of online tools? How or whether to continue the practice of oral presentations? How to better include transparency of support?

**(c) With respect to the MPGs, how should flexibility for those developing countries that need it in the light of their capacities be operationalized?**

Argentina, Brazil and Uruguay are of the view that the flexibility discussion under APA should be about how to pragmatically operationalize flexibility for those developing countries that need it in the light of their capacities – acknowledging that "capacity" is also linked to financial support. Negotiations should avoid conceptual discussions on flexibility, recognizing that developing countries are the only ones in a

position to determine their needs in light of their capacities. It must also be taken into account that the capacity to fulfill obligations under Article 13 is not only a function of development levels, but also the level of support received, availability of data, etc.

Beyond the general remarks on flexibility and the "opt in and opt out" approach presented above, additional practical examples can be given on how this flexibility can be operationalized:

- Use of different good practice methodologies accepted by IPCC. Developed countries shall use the most recent ones and developing countries should be encouraged to use them in the light of respective capacities and national circumstances.
- Three levels of detail and periodicity of the national inventory report:
  - (1) National inventory reports on an annual basis for developed countries, fully consistent with good practice methodologies accepted by IPCC;
  - (2) National inventory reports every five years for developing countries, fully consistent with applicable good practice methodologies accepted by IPCC, accompanied by *estimates* of GHG emission on an annual basis, reported through the BTR;
  - (3) National inventory reports fully consistent with good practice methodologies accepted by IPCC every five years for developing countries that have no condition to provide annual estimates.
- Larger degree of choice on the type and level of detail of the information necessary to track progress made in implementing and achieving the NDC (e.g. use of trends and projections, mitigation actions and their effects, etc.).
- Larger degree of choice on the timeframe for the technical expert review and the FMCP.

With the operationalization of flexibility, it is important to ensure the application of the principles of progression and “non-backtracking”, presented above, while ensure that Parties maintain at least the frequency and quality of reporting in accordance with their respective obligations under the Convention and the Kyoto Protocol.

**(d) What other elements should be considered in the development of the MPGs, including, inter alia, those identified in paragraph 92 of decision 1/CP.21?**

Argentina, Brazil and Uruguay highlight the need to promote **TACCC principles** (i.e. transparency, accuracy, completeness, consistency and comparability) in **transparency of support**.