

Norway's submission on the transparency framework

1. The enhanced transparency framework under the Paris Agreement

Norway is pleased to present its views on modalities, procedures and guidelines (MPG)¹ for the transparency framework for action and support referred to in Article 13 of the Paris Agreement.

The establishment of an enhanced transparency framework under the Paris Agreement is needed in order to track progress towards the implementation and achievement of Nationally Determined Contributions (NDCs) and Parties adaptation actions under Article 7 to provide clarity on support provided and received by Parties, and to inform the global stocktake.

The MPGs for the transparency framework for the transparency framework, applicable to all Parties, should have built-in flexibility that takes into account Parties' different capacities for the different elements, cf. Article 13.2. The reporting and review requirements will need to reflect these differences, while at the same time incentivizes Parties to enhance their reporting over time as capacity allows. The enhanced transparency framework will build on and enhance existing arrangements under the Convention, while encompassing the great variations in NDCs.

The Capacity-building Initiative for Transparency will be important for building institutional and technical capacity. Article 13.11 of the Paris Agreement reflects that the review process shall include assistance in identifying capacity-building needs for those developing countries that need it in the light of their capacities.

Transparency is a cross cutting issue and other work under the Paris Agreement needs to be taken into account in the work on the MPGs. Coherence is needed between the different sets of modalities, procedures and guidelines.

2. Structure and key elements of the transparency framework

In our view, the structure of the enhanced transparency framework should cover:

- I. Reporting of the elements in articles 13.7 (mitigation), 13.8 (adaptation), 13.9 and 13.10 (support) of the Paris Agreement.
- II. Technical review of the information submitted under articles 13.7 (mitigation) and 13.9 (provision of support) of the Paris Agreement
- III. Facilitative, multilateral consideration of progress on efforts under Article 9 of the Paris Agreement (finance), and each Party's respective implementation and achievement of the nationally determined contribution (NDC).

Developing the guidance for the enhanced transparency framework according to this three-step structure may be useful in terms of substance, as well for sequencing.

¹ For simplicity, the term guidance is used to reflect MPGs.

3. Reporting of GHG-inventories and information to track progress of NDCs, adaptation and support

Articles 13.7, 13.8, 13.9 and 13.10 of the Paris Agreement provide the basis for the information that shall or should be provided under the enhanced transparency framework. The elements that shall or should be reported are a national inventory report (NIR), information necessary to track progress made in implementing and achieving Parties' NDCs, information related to climate change impacts and adaptation, and information on financial, technology transfer and capacity-building support provided, needed and received.

The guidance will need to focus on the scope and timing of the various reporting requirements. The reporting requirements will be common for all countries, but with flexibility that takes into account Parties' respective capacities. In the various reporting elements below, we have identified possible types of flexibilities and areas where such flexibility may be built in.

According to paragraph 98 of Decision 1/CP.21, the enhanced transparency framework under the Paris Agreement will supersede the current transparency system established in Cancun and Durban. Our understanding is that this covers the reporting of Biennial Reports (BR) and Biennial Update Reports (BUR). We need to decide when and how the enhanced transparency framework is planned to be in place and replace the BRs and the BURs. There are other current reporting requirements that to various extent will overlap with the reporting under the enhanced transparency framework. This would be Annex I countries' reporting of national inventory reports and GHG inventories and the reporting of National Communications for all countries. We must avoid duplication and undue burden on Parties and the secretariat. Current reporting requirements under the COP should therefore be considered in light of the future reporting requirements.

3.1 National inventory reports

Reporting national sources of emissions and removals by sinks of greenhouse gases is crucial to understand national emissions and how these change over time. Reporting a national inventory report (NIR) is also a prerequisite for accounting and tracking progress of objectives the mitigation elements of NDCs under Article 4.

The backbone of the NIR is to provide information about the methods, activity data and emission factors that have been used to report emissions and removals of GHG. Important principles of reporting are transparency, accuracy, consistency, comparability and completeness (TACCC), in addition to avoiding double counting and ensuring environmental integrity, which should be taken into account in the work to develop the guidance.

In order for Parties to ensure methodological consistency between the communication and implementation of NDCs, we believe that Parties should use common reporting guidelines for their national inventory reports based on the guidance from the IPCC and agreed upon by the CMA. The guidance from the IPCC contains flexibility through a tiered approach that allows consideration of national circumstances and capacity in the level of tier selected. Parties currently use global warming potentials (GWP) as metrics for gases in their reporting, but the values are from different IPCC assessment reports. We believe that the CMA should decide that all Parties should use GWP-100 as the common IPCC metrics. This is not an issue of capacity, and we believe using a common IPCC metrics is an important aspect of adhering to the TACCC-principles.

Such common reporting guidance and metrics is also consistent with the approach to be taken in accounting for emissions and removals, cf. paragraph 31 of decision 1/CP.21.

We believe that the NIRs should be reported electronically and follow an agreed outline or general structure. We further believe that the NIR shall be submitted in one of the official languages of the United Nations, and that countries are encouraged to submit an English translation of the NIR to facilitate its use by the expert review teams.

In terms of contents, we believe that all NIRs should contain sufficient description of:

- the methods, the activity data and the emission factors that have been used to report emissions by sources and removals by sinks
- appropriate time-series
- the coverage of gases
- the coverage of sources (insignificant sources may within thresholds be reported as not estimated)
- the key categories
- recalculations and time series consistency
- national inventory arrangements
- quality assurance/quality control (QA/QC) systems
- uncertainty analysis
- areas of improvement and consistency with guidance identified by the technical expert review

Reporting extensively on all these aspects may not be possible for all Parties in the beginning, taking into account the respective capacities. When developing the guidance some flexibility may be needed for a time period, but Parties should strive to improve the quality and coverage of reporting over time.

Decision 1/CP.21 is clear on the frequency of reporting as each Party shall submit a NIR no less frequently than on a biennial basis. The least developed country Parties (LDCs) and small island developing states (SIDS) may submit at their discretion. At the same time, Parties must maintain at least the frequency and quality of reporting in accordance with their current obligations under the Convention.

We believe that the NIRs should include textual descriptions and tables with data, In addition they should be supplemented by electronic reporting of some common reporting tables. The tables will assist in assessing whether the inventories are prepared in accordance with the TACCC-principles and should provide sufficient information for accounting purposes. The tables should have room for reporting negative emissions that may come from for instance bioenergy with carbon capture and storage. Experience has shown that it may take time to both agree on common reporting tables themselves and to develop the software needed to report such tables. It is therefore crucial to address this issue early in the work process.

[3.2 Tracking progress made in implementing and achieving NDCs](#)

Each Party shall regularly provide information necessary to track progress made in implementing and achieving its NDC contribution under Article 4. For this reporting element, it will be important to understand Parties NDCs, how they expect to achieve them and how Parties are actually achieving their NDCs. Tracking progress of NDCs is also of particular importance in terms of feeding information into the global stocktake.

The work to develop guidance on, inter alia, features, up-front information, accounting and markets will inform the work on this particular reporting element. The guidance for transparency need to acknowledge that Parties have defined their contributions in various ways, leading to several types of NDCs. The guidance must therefore enable tracking of progress encompassing the various ways of defining contributions, and that NDCs may change over time.

The information necessary to track progress made in implementing and achieving a NDC should be reported electronically and follow an agreed outline or general structure. We further believe that the information shall be submitted in one of the official languages of the United Nations and that countries are encouraged to submit an English translation to facilitate its use by the expert review teams.

Some information will be needed regardless of the type of NDCs whereas some information may be needed only for some types of NDCs. Some common elements are quantified or quantifiable information, if applicable, are:

- Commitment and type of commitment
- Relevant information concerning reference points and/or base years
- Year or period for commitment
- Coverage (sectors, gases, geographical area)
- Metrics used for gases
- Accounting approach, including role of internationally transferable units and information on how the land sector is treated)
- Mitigation actions - implemented (if available), adopted and planned
- Projections of greenhouse gas (GHG) emissions/removals
- Quantified assessment of progress towards target to date, and expected progress towards target
- At relevant times, provide information of how targets actually have been achieved or not

Reporting exhaustively on all these parts may not be possible for all Parties in the beginning taking into account the different capacities. In the guidance, some flexibility may be given for a time period, but all Parties should strive to improve the quality and coverage of reporting over time. On the frequency of reporting, decision 1/CP.21 states that each Party shall submit the information no less frequently than on a biennial basis. The least developed country Parties (LDCs) and small island developing states (SIDS) may submit at their discretion.

The reporting for tracking progress needs to include some common reporting tables and these tables can be reported within the report itself or separately.

3.3 Climate change impacts and adaptation

According to Article 13.8 of the Paris Agreement, each Party should provide information related to climate change impacts and adaptation under Article 7.

The purpose of the framework for transparency of adaptation is to provide clarity of each party's ability to adapt to the adverse impacts of climate change, to foster climate resilience, and on low greenhouse gas emission development. The information submitted can include good practices, priorities, plans, actions, implementation needs and support needs, and will be used to inform the global stocktake. The global stocktake for adaptation shall, amongst other things, review the adequacy and effectiveness of support provided for adaptation. Thus, information on both these elements could be useful to include in the adaptation communication.

Each Party should provide information related to climate change impacts and adaptation under Article 7, as appropriate, and it should be updated periodically in what has been defined as an "adaptation communication" in Article 7.10 of the Paris Agreement. The adaptation communication should be submitted through existing processes and formats, for example the National Adaptation Plan process, the Nationally Determined Contributions ("NDC") and the National Communications ("NatCom"), as referred to in Article 7.11. Parties are encouraged, but not required to submit the adaptation communication. In particular, the adaptation communication should not create any additional burden for developing country parties.

The adaptation communication shall be recorded in a public registry. The registry should enhance already existing online communication platforms, such as the Nap Central. However, it has to include all relevant adaptation communications. Furthermore, it should aim to be a platform for parties in order to exchange information and lessons learned to enhance adaptation action at the local, subnational and national level.

The platform should be used by GCF, GEF, AF or other adaptation funds as a basis for understanding the parties' short and long term adaptation processes. However, it should not substitute the modalities that is needed in order to give necessary information for funds to make appropriate decisions in relation to adaptation support.

3.4 Information on support

The framework for transparency of support shall provide clarity on support provided and received by relevant individual Parties for mitigation, adaptation, finance, technology development and transfer and capacity building; and to the extent possible, to provide a full overview of aggregate financial support provided to inform the global stocktake. The work on the transparency framework will need to interact with the work on accounting modalities for financial resources provided and mobilized under Article 9.7 and will consider issues considered by SBSTA on methodologies for reporting on financial information. The guidance needs to reflect Articles 13.9 and 13.10 of the Paris Agreement in that there are different requirements for developed and developing country Parties. We believe that the reporting needs to include some common reporting tables.

Guidance on support provided should build upon the experiences that countries have with reporting under the UNFCCC and the OECD-DAC CRS system and under the UNFCCC. Still, gaps and challenges remain in these existing modalities. The work under SBSTA on developing accounting methodologies will need to address how to improve consistency of data provided and a harmonization of donor practices. Other significant challenges relate to how to capture flows from Multilateral Development Banks (MDBs) and other multilateral entities and how to account for private climate finance mobilized. The guidelines to be developed should be flexible enough to apply to all parties providing support, but also provide enough clarity on what is required. The output of the SBSTA work needs to be coordinated with the work on the transparency guidance (MPGs), and need to finish well before 2018 so that it can be appropriately integrated into the proposal going to the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, known as the CMA.

The enhanced transparency regime also covers support received, cf. article 13.10. Having this in place will improve the monitoring of outcomes and impacts of support as well as contributing to capacity building and stakeholder involvement on the recipient side. Many developing countries have domestic system for tracking, and a number of countries have included information on climate finance received in their Biennial Update Reports. Guidelines from the BURs could be built on and improved in order to make sure that certain types of information are provided by all countries in a more transparent manner. At the same time, the guidance should have built-in flexibility that capture differences in capacity to monitor and track climate finance received – and incentivizes Parties to enhance their reporting over time as capacity allows should be built in.

We believe that the reporting needs to include some common reporting tables.

With regard to how transparency of support could inform the global stocktake, country reporting will need to be supplemented with other sources of information. In particular we see merit in building on the work on the biennial assessment that the Standing Committee on Finance (SCF) issues. The first report

from 2014 was a first preliminary attempt to give an overview of global climate finance flows. We expect these reports to improve over time and as such it will be a good basis for input to the Global Stocktake.

4. Technical review

The information provided by Parties, in their national inventory report, on tracking progress made in implementing and achieving NDCs and the provision of support, shall undergo a technical expert review. The review will consist of a consideration of the Party's support provided, and its implementation and achievement of NDCs. It will identify areas of improvement and will review the consistency of the information with the guidance.

The experience from reporting under the Convention is that the technical review and the multilateral consideration of progress will be important for all countries in terms of continuously improving the reporting. The TACCC principles should guide the work on the guidance for the technical review, but the guidance on the reporting elements should be developed first.

The technical review process is very useful for identifying areas of improvement and has contributed to the improved reporting. However, it will entail a significantly increased burden on the Secretariat as the number of Parties to be reviewed will increase. Parties will therefore need to consider how this can be managed. Among the issues that can be considered are whether one technical review team shall review all elements under the enhanced transparency framework or if the element of national inventory report should be separated (scope). Further issues to consider are whether the national inventory report for Parties that report every year should be reviewed in-depth annually (scope/frequency) and if there are alternatives to the current review formats (in-country, centralized, desk).

5. Multilateral consideration

Each Party shall participate in a facilitative, multilateral consideration of progress with respect to efforts under Article 9 (financial support) and its respective implementation and achievement of its NDC. The multilateral consideration should be common for all Parties and can draw on the experiences from the multilateral assessment (MA) for developed country Parties and the facilitative sharing of views (FSV) for developing country Parties under the Convention. The guidance will need to be clear on the scope of the multilateral consideration and what the various inputs are (country reports, review reports etc.). It will be useful for Parties to submit written questions to other Parties within the agreed scope, Parties will need sufficient time to prepare answers and for transparency, the questions and answers should be made available online. Both the MA and FSV include elements with an oral presentation, followed by oral questions by Parties and responses by the Party that held the presentation. The multilateral consideration should also include such elements, but the arrangements need to be workable for both the Parties and the secretariat.

6. Future work

We look forward to go more into detailed discussions of the various elements at COP22. However, it would be very useful to have a discussion on what the final products of the framework could be before discussing the various detailed elements of the guidance. We hope that we in Marrakech can agree on concepts and main approaches for the guidance for the technical work until adoption by 2018. The specific guidance for reporting, review and assessment of the transparency system could follow the structure as already outlined; since these elements naturally build upon each other. The work set out

should outline activities (e.g. further submissions and technical workshops) for the period up to and including 2018. Specifically, we believe that to focus the work on the transparency framework in the coming period, there should be calls for separate submissions early in 2017 on reporting national inventory reports and on information necessary to track progress made in implementing and achieving NDCs. We support the preparation of technical papers by the secretariat followed by technical workshops before the May session in 2017. In the second half of 2017, a similar process should be allowed for the technical review and for the multilateral consideration.