

Norway's submission on APA item 5, modalities, procedures and guidelines for the transparency framework

Key messages

- The enhanced transparency framework will include common reporting guidelines, common guidelines, modalities and procedures for technical expert review and common modalities and procedures for the facilitative, multilateral consideration of progress.
- The common modalities, procedures and guidelines (MPGs) should facilitate improved reporting and transparency over time and provide flexibility to those developing country Parties that need it in the light of their capacities, no countries should be set up for failure.
- Flexibility should be considered for specific reporting requirements where a developing country Party's lack of capacity may be an important factor, instead of connected to broad concepts.
- Capacity and need for flexibility is more likely to be an issue for reporting on some elements of the national inventory reports than for reporting on nationally determined contributions (NDCs).
- Reporting information on NDCs shall reflect the information necessary for clarity, transparency and understanding, but the information will differ since there are different types of NDCs. The level of detail in reporting on some elements may depend on a Party's capacity.
- Need to explore ways to avoid duplication as well as undue burden on Parties and the secretariat.
- SBSTA to provide key elements of the support part of the transparency regime through developing accounting methodologies, but APA will in particular need to consider guidelines for support needed and received.
- Importance of the workshop and the workshop report to advance APAs work.

Norway is pleased to present its further views on common modalities, procedures and guidelines (MPGs). We present our view on the four questions contained in the APA conclusions in FCCC/APA/2016/L.4 from Marrakech and we also present our view on the way forward. The Annex attached outlines our view on the specific components of the MPGs.

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

Our view is that the enhanced transparency framework will include:

- I. Common reporting guidelines for the elements in Articles 13.7 (mitigation), 13.8 (adaptation), 13.9 (provision of support) and 13.10 (support needed and received) of the Paris Agreement.
- II. Common guidelines, modalities and procedures for technical expert review of the information submitted under Articles 13.7 (mitigation) and 13.9 (provision of support) of the Paris Agreement.
- III. Common modalities and procedures for the 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).

National inventory report

Reporting on Article 13.7 (a) will require Parties to provide a national inventory report (NIR). Reporting national sources of emissions and removals by sinks of greenhouse gases is crucial to understand national emissions, and how these change over time. The backbone of a NIR is to provide information about the methods, activity data and emission factors that have been used to report emissions and removals of GHG. Reporting a NIR is also a prerequisite for accounting and tracking progress of objectives in the mitigation elements of NDCs under Article 4.

Progress report

According to Article 13.7 (b) of the Paris Agreement, each Party shall regularly provide information necessary to track progress made in implementing and achieving their NDC under Article 4. In the following, we refer to this information as the 'progress' report. We believe that the primary objective for the information in the progress report should be to enable an understanding of a Party's NDC under Article 4 – both in terms of its target assumptions, the progress towards reaching it and the actual achievement.

It is important to ensure consistency between information required in a NDC and requirements in the progress report, it should therefore reflect elements covered in the Party's NDC. This means that information required to facilitate clarity, transparency and understanding of a NDC in general should also be covered in the progress report. The current INDCs/NDCs reflect a diversity of targets and approaches to reach them, and has demonstrated that there is a need for further information to understand how the NDC is going to be achieved. The progress report would thus reflect current information requirements, how the NDC is achieved or going to be achieved and any elements that might be added in the ongoing work under APA Agenda item 3. Information to be reported on might therefore encompass information on the type and year/period of commitment, reference points (level/year/period) and/or base years, sectors, and gases covered, metrics used for gases, accounting approach, including role of ITMOs, the role of the land sector, information on mitigation actions and supplementary information on how policies have been implemented in order to take into account other important factors.

Some information requirements are general and independent of the type of NDC, but Parties should take into consideration that the information needed to provide clarity, transparency and understanding to the various NDCs under Article 4 may differ. The level of detail in reporting on some elements may depend on a Party's capacity.

The guidelines for the progress report should also recognise that some Parties act jointly on fulfilling their NDCs.

The work related to accounting in article 4.13 and article 6.2 to avoid double counting should also be taken into consideration when developing concrete guidelines for the progress report.

Reporting on climate change impacts and adaptation

According to Article 13.8, Parties should provide information related to climate change impacts and adaptation, as appropriate. We believe that it will be useful to develop specific reporting guidelines for climate change impacts and adaptation under Article 13.8. However, we notice there may be some overlapping information between reporting on adaption and Parties adaptation communications (article 7.10). Nevertheless, we believe that reporting under Article 13.8 should be an independent regime to give it sufficient emphasis in the transparency regime and allow for input to the global stock take. It should

therefore consist of specific reporting elements to be covered, regardless of which vehicle a Party chooses for its adaptation communication.

There is a need to ensure that APAs different working groups are coordinated, and that APAs work on the transparency guidance is consistent with APAs work on adaption.

Reporting on provision of support and support needed and received

The framework for transparency of support is to 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. According to Article 9.7 and decision 56 in 1/CP.21, both support provided and mobilized through public interventions should be a part of the transparency regime. The reporting guidelines will need to reflect Articles 13.9 and Article 13.10 of the Paris Agreement, and these articles put out different requirements for developed and developing country Parties.

SBSTAs work on developing accounting methodologies needs to be coordinated with APAs work on the transparency guidance so that it can be appropriately integrated. On support needed and received, reporting guidelines on this could facilitate the reporting on this by Parties. Such guidelines falls outside the scope of the SBSTA modalities, and would naturally fall under the scope of work to be done by APA.

Technical review of mitigation and provision of support and facilitative, multilateral consideration

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. In addition, there will be a facilitative, multilateral consideration of progress on support provided and implementation and achievement of the NDC. We see both these processes as vital for building trust and confidence amongst Parties, stimulating increased future efforts by Parties, and facilitating exchange of knowledge and experiences by Parties.

With common guidelines for transparency there might be some challenges regarding technical reviews. We need to carefully consider how to create arrangements that are workable for both Parties and secretariat in the future. Among the challenges 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 challenges are whether the national inventory report for Parties that will report every year should be reviewed in-depth annually or biennially (scope/frequency) and if there are alternatives to the current review formats (in-country, centralized, desk). We foresee that the principle of avoiding duplication and undue burden will have to be discussed for the various elements at different times up to 2018.

The review will assess the consistency of the information with the MPGs, but also identify areas of improvement. It is our firm understanding that the MPGs for the technical expert review and the facilitative, multilateral consideration will build on the reporting guidelines, and therefore developing the reporting elements should be prioritized as the first task. We expect that detailed discussions on this topic will be undertaken in the latter part of 2017.

In the Annex to this submission, we provide an outline of what the specific components of the MPGs could be. The submission focuses on the reporting elements, with a more detailed description on

developing the reporting guidelines for mitigation. A framework is described for reporting guidelines for adaptation and support, but these elements should be further developed.

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?

There is substantial existing guidance and experience from the transparency arrangements under the Convention, namely NIR, national communications, biennial update reports (BUR) and biennial reports (BR). We believe these are our key experiences to draw *from*, and to build *on* - to ensure enhanced reporting under the Paris Agreement. A significant enhancement of the transparency framework is the establishment of common reporting guidelines that will consist of combining and adapting current guidance as well as developing new elements.

On support provided, the BR reporting guidelines and its related common tabular formats could serve as the basis for developing reporting guidelines for support provided. However, some enhancements can be made. 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. In addition, information of flows from Multilateral Development Banks (MDBs) and other multilateral entities, and private climate finance mobilized need to be captured.

On support needed, reporting guidelines could build on country experiences from communicating needs, including through National Adaptation Program of Actions NAPAs, Technical Needs Assessments (TNS) and the process of developing NDCs. Experiences from domestic monitoring of support received, its use and impacts, as well as domestic spending, would be valuable input to the development of guidelines on support needs.

On support received, the BUR reporting guidelines 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.

The experience from the Convention is that Parties have different starting points, but they improve their reporting over time. The technical expert review and the multilateral consideration of progress is important for Parties in terms of continuously improving the reporting.

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

To establish an enhanced transparency framework according to article 13, our understanding that the enhanced framework would have common provisions for all, but with provisions for flexibility where necessary. We believe that the most fruitful and concrete way to do this is by linking flexibility to the specific reporting requirements where a developing country Party's lack of capacity may be an important factor. For requirements where the implementation do not depend on the Party's capacity, there is no need for the provisions to have flexibility built in. One example of this is the methodological guidance from the IPCC for estimating emissions and removals. We believe the reporting guidance for national inventory reports needs to be based on the same methodological guidance and metrics from the IPCC, as 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. With regard to the methods and metrics used for reporting, we therefore do not see the need to provide further flexibility.

Other provisions may depend on capacity and in the Annex we have identified such potential areas with an asterisk (*). One example from the inventory element where we believe a Party's capacity can be a determining factor is the coverage of gases. For such relevant provisions, flexibility can be operationalized by including a qualifier such as *to the extent that capacities permit*. Such a dynamic approach should help facilitate improved reporting over time when capacities for respective reporting elements increases. We believe it is a key issue to respect and reflect that Parties have different starting points and capacities. This implies for example that reporting extensively on all aspects may not be possible for all Parties in the beginning. These aspects need to be properly reflected in the MPGs as it is important to regularly report on areas of improvement and consistency with the MPGs.

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?

In developing the MPGs the Parties should take into account the principles of paragraph 92 of decision 1/CP.21. In the following, we will identify and comment on certain aspects related to some of these principles.

As stated above facilitating improved reporting and transparency over time, and the need to provide flexibility to those developing country Parties that need it in the light of their capacities, are core elements in an enhanced transparency framework. These elements are also stated in paragraph 92 (a) and (b). It is important to ensure that the MPGs do not set countries up for failure. Our understanding is that capacity building, accompanied by the engagement of the Parties will improve reporting under the Paris Agreement over time.

Another key to improve reporting and transparency over time, and as well another element to be considered when developing the MPGs, is the principles of promoting transparency, accuracy, completeness, consistency and comparability (TACCC), captured by paragraph 92 (c). Developing common MPGs for Parties' reporting and review under the Paris agreement is in our view important to adhere to the TACCC principles. In developing these, and as stated before, we highlight that it is of key importance to respect and reflect that Parties have different starting points and capacities.

In addition, we believe it is fundamental to address the need to avoid duplication as well as undue burden on Parties and the secretariat, paragraph 92 (d). In our view, avoiding duplication and undue burden is also a central element to help Parties improve reporting and transparency over time.

Way forward

We look forward to work constructively together in the intersessional workshop to be organized in March and during the third part of APAs resumed session in May. In line with the APA conclusions from COP 22, the workshop will focus on themes covered in Parties' submissions, starting with discussions on reporting.

In its conclusions, APA requested its co-chairs to prepare, with the support of the secretariat, a workshop report for consideration at the May session. In order for APA to advance its work, we believe that the workshop report should clearly identify issues where there seems to be "agreement" or convergence of views among the workshop participants. Similarly, the workshop report should clearly identify issues where there are diverging views, and could present options for how to go forward.

A lot of consideration and work will be needed in order to complete the MPGs by the end of 2018. We believe it will be useful for APA during the May session to draw a timeline up to the end of 2018 identifying the necessary steps needed to complete our work. Due to time constraints and the large amount of work under agenda item 5 we suggest that during the May session the secretariat to look further into what information that is needed to describe the various types of NDCs under Article 4, this could be relevant for the APA working group on transparency and mitigation. The secretariat could also look further into what information is necessary in order to track progress made in implementing and achieving various types of NDCs. The secretariat could then present its work for the transparency group during the May session or a later session, as appropriate.

Before, during and after the APA session in May, the work on the enhanced transparency framework must be seen in light of discussions and outcomes in other relevant negotiating groups. It is important that the co-facilitators of the respective groups have a continuous and coordinating dialogue, both to avoid duplication of work, but also to when and how the work of the different negotiating groups could inform each other.

In general, we would like to highlight the importance of coordinating the development of the transparency regime with the work in other APA working groups, such as work in relation to Articles 4, 6, 7, 9, 10, 11 and 14.

Annex: Specific components of the common MPG for transparency under Article 13

The specific components are not intended to be exhaustive. * indicates reporting elements where capacity may be an issue and where there could be need for flexibility. The provisions marked with * should include the text, *to the extent that capacities permit*, and be guided by element of improved reporting and transparency over time.

I. Common reporting guidelines

I.A. National inventory report

- Common IPCC methods and metrics, as agreed upon by the CMA
- Consistent time series *
- Coverage of gases *
- The coverage of sources/sinks *
- National inventory arrangements
- Key category analysis*
- Uncertainty analysis *
- Quality assurance/quality control
- Areas of improvement and consistency with MPGs
- Common tabular format *

I.B. Information necessary to track progress made in implementing and achieving its NDC under Article 4

- National circumstances and institutional arrangements
- Description of the NDC under Article 4
Will include information necessary for clarity, transparency and understanding of the NDCs, i.e. the type and year/period of commitment, reference points (level/year/period) and/or base years, sectors and gases covered, metrics used for gases, accounting approach, including role of ITMOs and the land sector. Additional information and more specificity to the types of information might be added.
- Track progress made in implementing and achieving the NDC under Article 4
Will include, if relevant, quantified assessment in implementing and achieving the NDC, summary information on historical GHG emissions and removals, the role and use of ITMOs, including how double-counting is avoided, the role and use of the land sector and supplementary information. Parties should report on the consistency between the communication and implementation of the NDC.
- Historical and expected GHG effect of mitigation actions/policies and measures
- Projected GHG emissions and removals
- Achievement of the NDC under Article 4
Upon the expiration of the NDC timeframe, the first progress report that includes the necessary information should also assess if/to what extent the NDC target was achieved.
- Areas of improvement and consistency with MPGs
- Common tabular format *

I.C. Climate change impacts and adaptation

- Climate change impacts, risks and vulnerability

- Adaptation planning and action
- Results achieved
- Lessons learned

I.D. Support

- Financial support
Support provided and mobilized by developed country Parties and other Parties
*Support received by developing Parties **
*Support needed by developing Parties **
- Technology support
Support provided by developed country Parties and other Parties
*Support received by developing Parties **
*Support needed by developing Parties **
- Capacity-building support
Support provided by developed country Parties and other Parties
*Support received by developing Parties **
*Support needed by developing Parties **
- Common tabular format *

II. Common guidelines, modalities and procedures for technical expert review

- Scope of the review
- Timing, arrangements and procedures
- Composition, competences, mandates and procedures of the ERT
- Role of the secretariat
- Output

III. Common modalities and procedures for the facilitative, multilateral consideration of progress

- Scope of the facilitative, multilateral consideration
- Timing, arrangements and procedures
- Composition, competences, mandates and procedures of the ERT
- Role of the secretariat
- Output