

Canada's submission on APA Item 5 Modalities, Procedures and Guidelines for Transparency

Canada is pleased to submit its views on the **modalities, procedures and guidelines (MPGs) for the transparency framework for action and support referred to in Article 13 of the Paris Agreement**. The MPGs will form the backbone of the future Transparency Framework. They will shape the credibility of the information reported by Parties and the collective understanding of the global scale and results of climate action.

As agreed in Paris, the MPGs will be common to all Parties and will provide adequate flexibility to developing country Parties that need it based on capacity. These complementary features are critical to ensure that the transparency framework is dynamic and sustainable in the long-term.

To operationalize these features, the design of flexibility within the MPGs must reflect and accommodate the wide range of Parties' starting points in terms of reporting experience and capacities. MPGs must also reflect different national circumstances. MPGs can facilitate improved reporting over time by providing a sense of direction for Parties' improvement efforts and by ensuring that the technical review process can offer positive input for Parties' improvement and capacity building plans.

An effective way to achieve this outcome would be to develop the MPGs as core reporting and review requirements that are common to all, with flexibility articulated as one or more alternative approaches to meet the requirements, as appropriate. The MPGs should also provide sufficiently detailed guidance to effectively allow Parties to understand and meet the requirements and take advantage of flexibility as appropriate.

The Transparency Framework must be able to advance Parties' domestic objectives as appropriate. For example, where appropriate, MPGs should provide latitude to report information in a manner that also responds to domestic communication, planning and decision-making needs. MPGs should also facilitate Parties in presenting the efforts of Non-State Actors, as appropriate, to capture the full magnitude and spectrum of climate action.

For each Party, enhancing the transparency of its climate action and support will be an individual and incremental process. Priorities and pace of improvement will vary. Dedicated support through the Capacity Building Initiative for Transparency (CBIT), for which Canada announced a \$5 million contribution, and other existing arrangements will help developing country Parties address the institutional challenges and gaps that impact their reporting according to their individual priorities.

In light of the above, this submission will provide Canada's views on the contents of guidelines for reporting and technical review of greenhouse gas (GHG) inventories and biennial reporting.

1. GUIDELINES FOR INVENTORIES OF GHG EMISSIONS AND REMOVALS

Transparent, accurate, comparable, complete and consistent data on GHG emissions and removals is the cornerstone of understanding Parties' mitigation efforts and results.

GHG inventory guidelines should include the topics below. Considering the capacity challenges faced by many Parties in preparing GHG inventories and inventory reports, Canada proposes areas where flexibility can be built in the guidelines and looks forward to further discussions on the appropriate scope and nature of flexibility.

Submission format

GHG inventory submissions should consist of a standalone report, including:

- a national inventory report of anthropogenic emissions and removals for the complete time series, providing an energy balance, uncertainty estimates, and key category analysis as well as additional information. Where capacity constraints exist, inventory reports should describe trends, summarize methodologies used and highlight any recalculations. Options for providing flexibility with respect to base year could also be considered in the development of MPGs.
- a common set of reporting tables. Where capacity constraints exist, Parties should at least report information using the data and tables generated from the IPCC software and incorporated into the Common Reporting Format (CRF) tables to the extent possible.

Completeness

Parties should report information for all sources and sinks and all GHGs. Where capacity constraints exist, Parties should at least include the most important/significant sources and GHGs and document and explain instances where emissions have not been estimated.

Estimation methodologies

Inventories must be developed for all key categories, using the 2006 IPCC guidelines and additional guidance issued thereafter by the IPCC and adopted by Parties. Where capacity constraints exist, Parties should use the 2006 IPCC software, which requires very limited country-specific input, to quantify emissions and removals.

Additional considerations

In addition to GHG emissions, interested Parties may use their inventory submission to report emissions of substances that are not GHGs, but are recognized to have an impact on climate (e.g. black carbon).

2. GUIDELINES FOR BIENNIAL REPORTING ON MITIGATION, ADAPTATION AND SUPPORT

Guidelines for biennial reporting should provide guidance to help Parties provide a comprehensive picture of their climate action.

Progress on Nationally Determined Contributions (NDCs) under Article 4

The following list identifies the information that should be included in biennial reporting and areas where flexibility can be built in the guidelines.

- A description of the Party's mitigation contribution and underlying assumptions, to help contextualize the progress reported and demonstrate methodological consistency;
- Quantified GHG emissions from the most recent GHG inventory report;

- Information on the Party's progress toward meeting their commitment. While guidelines should list information requirements for different mitigation contribution types, the level of detail provided could vary depending on a Party's capacities;
- Quantified information on the use of Internationally Transferred Mitigation Outcomes (ITMOs) and accounting approach, including how Parties are avoiding double-counting. MPGs should encourage Parties to indicate how their accounting approach incorporates recent and accepted accounting guidance for ITMOs, in step with the on-going discussions on ITMOs.
- Quantified information on emissions and removals from the land sector and a description of the accounting approaches used.
- A description of mitigation policies and measures implemented and their quantified impacts where feasible.
- Emission trends, assumptions and methodologies. The level of detail and coverage of the projections could vary according to Parties' capacities.

Reporting information related to climate change impacts and adaptation under Article 7

Reporting on adaptation can help raise the profile of adaptation action, facilitate the sharing of good practices and strengthen the understanding of progress and challenges, including as an input for the global stocktake. The guidelines could encourage Parties to report on adaptation at a certain frequency (e.g. every four years).

Biennial reporting could serve to highlight implemented activities and progress against priorities communicated in complementary tools, such as National Adaptation Plans and Adaptation Communications. The guidelines could encourage Parties to report, as appropriate:

- their climate change impacts, vulnerabilities and adaptation priorities;
- their progress in identifying impacts and vulnerabilities; planning adaptation responses; and mainstreaming adaptation into relevant plans, policies and programs;
- the actions implemented, actors involved, outcomes and co-benefits, and lessons learned.

Support provided and mobilized

Current reporting requirements for biennial reports have yielded valuable and granular information on support provided, which can be compared over time and between countries. These requirements could serve as the basis for developing guidelines for reporting support provided and mobilized, with some enhancements:

- systematizing approaches to capture finance mobilized, e.g. through common reporting tables (taking into account SBSTA discussions on accounting of finance provided and mobilized through public intervention);
- encouraging Parties to provide a clear picture of results achieved through the provision and mobilization of climate finance. This will help disseminate insights on how to make climate finance more effective and help better meet the priorities expressed by developing countries;

Support received

The development of guidelines should take into account the following considerations:

- to facilitate Parties' efforts, guidelines should provide clear guidance as well as tools to standardize reporting of support received, such as common reporting tables.
- guidelines should encourage Parties to identify results achieved in relation to national climate priorities where possible, in order to help enhance the effectiveness of climate finance
- Parties should be strongly encouraged to report on the difficulties encountered in accessing and mobilizing financial resources and technical assistance
- Parties should be encouraged to report progress and lessons learned in establishing conditions that facilitate the mobilization of climate finance and technical support.

Support needed

Guidelines should encourage Parties to report their need for support in the context of their established climate action priorities.

3. GUIDELINES FOR TECHNICAL REVIEWS

In order to be sustainable, the review process must be able to handle regular reporting from all Parties without unreasonably burdening Parties and the Secretariat.

Technical review of GHG inventories

The technical review of GHG inventories is a major opportunity for any Party to discuss its approaches with technical experts, plan and prioritize future improvements and identify capacity needs. The review should focus on assessing the consistency of the report with the guidelines, including the timeliness of the submission and the transparency, accuracy, consistency, completeness and comparability of the GHG data reported.

Considering the expected number of reviews that will take place, options should be explored to ensure the review process is both credible and sustainable, takes into account Parties' capacities and truly facilitates capacity building and improvement over time. Such options could include:

- Considering different frequencies for the review of inventories based on Parties' emissions;
- Developing a peer review system for groups of Parties facing similar capacity constraints;
- Incorporating accredited third parties to manage and oversee the technical review process in a way that upholds the Parties' trust and the facilitative, non-intrusive, non-punitive nature of the transparency framework;
- Broadening the pool of technical experts, including through the use of professional experts.

Technical review of biennial reporting on mitigation and support provided

The sustainability of the review process for biennial reporting of mitigation and support provided relies on balancing the collective need to understand the information reported; individual Parties' capacity constraints; and the resources that can be mobilized for this review process. The following considerations could guide Parties' thinking:

- Models within and outside the UNFCCC can inspire the design of the review guidelines. For example, some approaches rely on a board (e.g. CDM Executive Board), whereas others base the frequency of review for each Party on specific thresholds (e.g. WTO trade policy reviews).

- Peer-review mechanisms could also be created to complement or support the technical review process.
- Parties, including regional economic integration organizations and their member states, that submit joint nationally determined contributions could have the option of reporting mitigation progress jointly, and be reviewed jointly.

Consideration of reporting on adaptation

Interested Parties should have the opportunity to engage in discussion with peers or experts over their reporting of adaptation. This could take place on a voluntary basis and be anchored in existing adaptation processes or institutions under the UNFCCC, separately from the technical review for mitigation and support.

Canada looks forward to engaging with other Parties on these and other ideas, with a view to develop robust modalities, procedures and guidelines, starting at COP22.