



Submission by Bhutan on behalf of the Least Developed Countries (LDC) Group on the work referred to in paragraph 12 of decision 18/CMA.1 “Modalities, procedures and guidelines (MPGs) for the transparency framework for action and support referred to in Article 13 of the Paris Agreement”

The LDC Group welcomes the opportunity to present its views, with respect to the work referred to in paragraph 12 of decision 18/CMA.1 (MPGs for the transparency framework for action and support referred to in Article 13 of the Paris Agreement) namely:

- (a) Common reporting tables (CRTs) for the electronic reporting of the information referred to in chapter II, and common tabular formats (CTFs) for the electronic reporting of the information referred to in chapters III, V and VI of the annex, taking into account the existing CTFs and common reporting formats (CRFs);
- (b) Outlines of the Biennial Transparency Report (BTR), National Inventory Report (NIR) and Technical Expert Review (TER) report, pursuant to the modalities, procedures and guidelines (MPGs) contained in the annex; and
- (c) A training program for technical experts participating in the TER.

1. Overarching Considerations and Guiding Principles

The principles recognized in Article 13 of the Paris Agreement and in relevant paragraphs of Decision 1/CP.21 were integrated into the MPGs for the transparency framework for action and support referred to in Article 13 of the Paris Agreement, these include providing flexibility to those developing countries that need it in the light of their capacities, particularly LDCs and Small Island Developing States (SIDS).

Paragraph 1 of Article 13 notes that this flexibility shall be “built-in” and paragraph 2 reiterates that “the transparency framework shall provide flexibility in the implementation of the provisions of this Article to those developing country Parties that need it in the light of their capacities. The modalities, procedures and guidelines referred to in paragraph 13 of this Article shall reflect such flexibility.” The outcomes of the MPGs clearly reflect this flexibility in Chapter I section C, as well as reflecting the flexibility in specific provisions of the MPGs.

The general and specific flexibility provided to developing countries that need it in the light of their circumstances must be carefully integrated, where appropriate, into the work undertaken on the CRTs and CTFs, the outlines of the BTR, NIR and TER, as well as the training program for technical experts participating in the TER.

In addition to flexibility, the work should give attention to building on and enhancing the transparency arrangements under the Convention. There are many useful analogues to the work currently under development, including existing CTFs and CRFs, outlines of reports under the current reporting system, and training programs for those undertaking review of NIRs and Biennial Reports that could serve as useful models for those under development.

Finally, the work under SBSTA should avoid renegotiating the Paris Agreement or the Modalities, Procedures and Guidelines.

2. CRTs and CTFS

2.1 CRTs for the electronic reporting of the information referred to in chapter II (NIRs)

Chapter II of the MPGs for the transparency framework for action and support specifies that the NIR consists of the national inventory document and the CRTs (para 38). In addition, it specifies that each Party “shall use notation keys where numerical data are not available when completing common reporting tables, indicating the reason why emissions from sources and removals by sinks and associated data for specific sectors, categories, and subcategories or gases are not reported” (para 31).

The CRTs should be operationalized in the context of the approval in the MPGs of the use by all Parties of the 2006 IPCC National GHG Inventory Guidelines, as such the tables must be structured to provide the information necessary to produce NIRs using those Guidelines. Existing models on which to base the work of the SBSTA include the CRFs adopted by SBSTA 39, which are designed to enable Annex I reporting under the 2006 Guidelines.

It is essential that developed countries parties continue to report with the same level of detail in order to fulfill the principle of no-backsliding, however, it is equally important to ensure that the flexibility embedded in the MPGs is reflected in the tables. In reporting NIRs, developing countries, particularly LDCs and SIDS that need it in the light of their capacities have specific flexibility in relation to time series and number of gases, which will be essential to reflect in the tables.

On the number of gases, possible options for operationalizing the flexibility in the CRTs include reiteration of the use of the full range of relevant notation keys in accordance with the most recent IPCC guidelines, and inclusion of documentation boxes to provide space for Parties to describe where flexibility has been taken.

On the issue of time series, it is essential that trend tables in the CRTs allow for the modification of time series according to paragraph 57 of the MPGs, which allow developing countries that need flexibility in the light of their capacities to “report data covering, at a minimum, the reference year/period for its NDC...and, in addition, a consistent annual time series from at least 2020 onwards.” A model for this could be the approach used for economies in transition in the existing CRFs adopted by SBSTA 39.

2.2 CTFs for the electronic reporting of information referred to in chapter III (Information necessary to track progress made in implementing and achieving NDCs)

Chapter III of the MPGs for the transparency framework for action and support specifies in paragraph 79 that all the information in section C, on information necessary to track progress made in implementing and achieving its NDC under Article 4 of the Paris Agreement, be presented in both a narrative and common tabular format.

The CTF associated with Chapter III section C should capture information that is primarily quantitative in nature, should not be overly prescriptive and should be applicable to all types of NDCs. For qualitative indicators Parties should clearly indicate which information is not applicable. As a such the table should capture information associated with relevant indicators, as applicable, these include at a minimum: type of reference used (reference points, levels, baselines, base years or starting points); value at the

reference point/level/baseline/ base year/starting point; value at most recent information; comparison of the most recent information to the reference value; comparison of the most recent value to the NDC target; and assessment of achievement (if it is the first BTR containing data about the end of the NDC period).

The table(s) should also capture the most recent information for each reporting year in the NDC period and should facilitate the reporting of recalculations if the data has been recalculated between the previous submissions and the latest submission. It is likely that a CTF specific to countries choosing to use cooperative approaches will be necessary, however, this should be developed after the outcome of the Article 6 negotiations under SBSTA if needed in order to avoid prejudging their conclusion.

Chapter III requires, in paragraph 91, Parties submitting stand-alone NIRs to provide a summary of its GHG emission and removals for the reporting years corresponding with the Party's most recent NIR in a tabular format. The LDC Group proposes that in this instance Parties should use the summary tables include in the NIR CRTs in order to avoid duplication of work and ensure consistency.

Paragraph 101 of Chapter III notes that projections shall be presented in graphical and tabular formats. A simple tabular format should include columns for the most recent year in the Party's NIR, and each year out 15 years past the next year ending in 0 or 5, with rows: for the national totals with and without LULUCF; emissions and removals for each NDC sector; each gas covered in the NDC; and other key indicators used to determine progress towards the Party's NDC.

2.3 CTFs for the electronic reporting of information referred to in chapter V (Information on financial, technology development and transfer and capacity-building support provided and mobilized)

The LDC Group welcomes the use of CTF tables to report on support provided and mobilised as they help to increase clarity, granularity and quality of data on climate finance flows. Noting that numerous information elements from different financial flows will need to be captured accurately, separate CTF tables should be used. CTF tables for reporting on finance support provided through bilateral, regional and multilateral channels should build on existing CTF tables for Biennial Reports (BRs) and National Communications (NC) for Annex I parties. Additional columns should be included to the existing CTF tables for the new elements that these shall be reported. While the use of CTFs to capture information on financial support mobilised is not mandatory, the development of a CTF table for this reporting element would be important to increase transparency and consistency of the information. A CTF table for financial support mobilised could build upon tables for financial support provided. All information required in the MPGs under paragraphs 123, 124 and 125 should be captured in each respective CTF table.

Enhancing common understanding of climate concepts will increase transparency in the use of CTFs. For instance, with regards to the identification of funds as being "climate specific", the LDC Group considers that Parties must include those exclusively aimed at enabling and supporting enhanced action on mitigation, adaptation and cross-cutting issues to address climate change. Financial support cannot be specified as "climate specific" unless the action principally or significantly targets climate change or if the "climate specific" share cannot be calculated when part of a wider package of support. The methodology or international standard used to make this determination is vital and should be supplied with the CTF table, as an annex, or in a separate documentation box. Similarly, the status of the financial

support as “disbursed or committed” must be included in CTFs, and Parties should provide additional information to explain the definition used to decide on the selected category.

Information on climate finance expressed in terms of “grant equivalent” should also be included to the fullest extent possible as it would provide a more consistent picture of support provided and mobilised. The methodologies used to calculate the grant equivalent value should be reported in an annex or in a separate documentation box since there is no commonly agreed methodology under the UNFCCC. Information on efforts taken to avoid double counting (paragraph 121 (m)) should be reflected in the CTF tables to the extent possible and be provided as an annex or separate documentation box.

Under “type of support” the category label “cross-cutting” should clearly capture some cross sectoral initiatives such as planning for mitigation or adaptation and climate research, observation and information such as modelling and projections. Parties should also indicate whether financial support provided supports capacity-building and/or technology development and transfer objectives. A column in CTFs to provide this information can be an approach. A separate column to indicate “additional information” would also be helpful for Parties wishing to include other information they consider relevant.

The LDC Group believes that Parties’ information should reflect the principle that support must be provided based on developing country needs and priorities and in line with country-driven strategies and plans, including (but not limited to) NDCs, NAPs and TNAs. In that sense, in accordance with the MPGs, Parties shall report in a rigorous, robust and transparent manner the underlying assumptions and methodologies to produce information on finance, including information explaining how the support provided effectively addresses the needs and priorities of developing countries as identified in country-driven instruments (paragraph 121, p.).

For the LDC Group it is also fundamental that Parties indicate what new and additional financial resources have been provided, including how the Party has determined that such resources are new and additional, demonstrating progression from previous levels (paragraph 121, r.). The “amount” segment in CTFs could be supplemented by additional information to explain this determination and be presented as part of an annex to the table or in a separate documentation box.

Support Provided for Technology Development and Transfer

Technology development and transfer is essential to both adaptation and mitigation efforts. In accordance with the MPGs, CTFs shall contain information related to measures and activities implemented or planned since the previous BTR (paragraph 127). In reporting such measures and activities, developed countries shall provide information on the type of support, the type of technology, the sector involved, and distinguish between activities undertaken by the public and private sector. Other targeted information shall also be provided in textual format in accordance with paragraph 126. Quantitative information on the support provided is vital and must be provided to the fullest extent possible.

For the LDC Group, tracking support provided to complete Technology Needs Assessments (TNAs) is important, and support to the CTCN should also be clearly indicated when possible. The LDCs Group sees the BTR as an important instrument to track support to this vital mechanism and to ensure it continues to deliver on its vital objectives.

Support Provided for Capacity Building

Capacity building is essential to all actions on mitigation and adaptation and the LDC Group believes that CTFs can and shall give a comprehensive overview of support provided to measures and activities related to this matter in accordance with paragraph 129. Quantitative information on the support provided is vital, and further textual information should be given to complement CTFs in accordance with paragraph 128.

2.4 CTFs for the electronic reporting of information referred to in chapter VI (Information on financial, technology development and transfer and capacity-building support needed and received)

The MPGs introduce CTFs as a new element into reporting rules for developing countries on support received and needed.

The development and adoption of CTF for reporting on support received and needed can build on expert recommendations such as work done by the Consultative Group of Experts and the UNFCCC for the preparation of Biennial Update Reports (BURs) and National Communications. Guidance and example CTF tables included in UNFCCC and GEF training materials for reporting on support needed and received can be the premise for further work on these tables, bearing in mind that these reporting categories are of voluntary nature and information requested in the MPGs is to be provided “to the extent possible, as available and as applicable” (paragraphs 133-134; 136 & 138; 140 & 142).

While general guidelines and some reporting experience exist, the LDC Group considers that reporting on these elements will remain challenging. Overall, developing countries have very limited experience in reporting information on financial support received using CTF tables. Some LDC countries have provided general information on their support needs in various areas within their NDCs as well as through Technology Needs Assessments (TNAs) but reporting on support received has virtually no precedent. Moreover, while these two reporting categories are often addressed together, they are very different in nature and require a very different treatment at national level. Support received is of retrospective nature while support needed is of prospective nature. Different data, methodologies and instruments will be needed for each of them.

The LDC Group welcomes efforts to improve the consistency of information from developing countries through the voluntary use of CTF tables, but at the same time, it highlights the need to recognize Parties’ different capacities, starting points, and the requirement to provide support for transparency-related capacity-building in accordance with the Paris Agreement (article 13.14).

Beyond the benefit of fulfilling international reporting requirements, the LDC Group acknowledges the domestic benefits of participating in the ETF and sees the role of the Capacity Building Initiative for Transparency (CBIT) as paramount to enabling conditions towards the strongest possible implementation of the ETF over time.

3. Outlines of the BTR, NIR and TER Report

3.1 BTR outline

The outline of the BTR should, in order to avoid renegotiating the MPGs, should largely follow the MPGs, in addition to an executive summary and introductory chapter, the outlines should include the following

chapters: summary of the NIR (if submitted as a standalone report) or NIR, noting that in both instances this section should be completed according to the NIR outline; information necessary to track progress made in implementing and achieving the NDC; information related to climate change impacts and adaptation; information on financial, technology development and transfer and capacity-building support provided and mobilized; and information on financial, technology development and transfer and capacity-building support needed and received. Parties should either include a standalone chapter containing an improvement plan or integrate an improvement plan section into each one of the chapters, as appropriate. Sections and sub-sections for each chapter closely follow those agreed to in the MPGs.

The outlines should be annotated, with specific attention to explaining where flexibility is available to developing countries that need it in the light of their capacities and elaborating which sections are required (shall provisions) and which are recommended or encouraged (should, may, as appropriate provisions) to facilitate ease of use by Parties. The outline should clearly state what Parties should include in instances where they are submitting two reports in the same year, for instance when National Communications and BTRs or in 2024 the final BURs and the first BTRs by developing countries to ensure that Parties are not overburdened and avoid duplication of effort.

3.2 NIR outline

The NIR outline should serve as the basis for NIR reporting, whether reported as a standalone report or as a component of the BTR. The outline should closely follow those of existing national GHG inventories and the 2006 IPCC Guidelines, with provision for revision in the event new guidelines are adopted by the CMA and they are sufficiently different to require revision of the outline. The outlines should be annotated to explain where flexibility is available to developing countries that need it in the light of their capacities and should also elaborate which sections are required (shall provisions) and which are recommended or encouraged (should, may or as appropriate provisions).

3.3 TER Report outline

The TER Report outline should closely align to outlines for existing review reports under the IAR and ICA processes.

4. Training Programme for Technical Experts Participating in the TER

The new training program for technical experts participating in the TER should heavily draw on lessons learned from the existing training programmes in place for reviewers participating in the existing transparency framework.

In order to ensure participation of experts from LDCs in the TER process, the Secretariat should make every effort to ensure that LDCs experts are able to undertake the training programme, while recognizing the responsibility of LDC and SIDS Parties to nominate experts to the roster of experts. The participation of LDCs experts should also be facilitated by ensuring that, in the event of online trainings, the Secretariat provide other arrangements are available to trainees without easy or reliable access to the internet.

The Secretariat, with the guidance of the CGE, should develop the training programme for review experts for the TER of NIRs and BTRs. The programme should consist of a basic course, as well as courses

in areas that require further specialization. The existing courses for the review of NIRs should be revised to incorporate the guidance in Chapter II of the MPGs. The Secretariat should develop new courses on: general and cross-cutting aspects of the review of BTRs; TER of information necessary to track progress in the implementation and achievement of NDCs; and the TER of information on financial, technology transfer and capacity-building provided and mobilized by developed country Parties.

The courses should be designed to reflect the flexibilities available to developing countries that need it in the light of their capacities, and specifically to LDCs and SIDS, and ensure that reviewers are familiar with how and when flexibility can be taken. The course should fully reflect that flexibility is self-determined and not subject to review.

The Secretariat should give priority to organizing annual training seminars for the basic courses, perhaps organized in parallel with meetings of Lead Reviewers to enable them to more easily participate in the training as mentors or trainers. All existing technical experts should be provided with an online course to retrain to undertake reviews under the TER, perhaps through a special refresher course that focuses on the differences between the existing and enhanced MRV framework.

The current training program aims to train 30 participants per year in person through the basic course under the GHG inventory training programme, this must be scaled up in advance of the first BTR reports in 2024 to ensure that capacity is sufficient to undertake reviews of all BTRs/NIRs submitted in a timely manner. In the longer-term, the training programme thereafter should be scaled so that the roster of experts is maintained at the level necessary to ensure timely review of BTRs and that the number of new experts trained equals the rate of attrition.

The scale of the training programme and of the TER in general is heavily dependent on availability of resources, in that regard developed country Parties are highly encouraged to provide financial support for the training program.