

## Submission by Belize on behalf of the Alliance of Small Island States (AOSIS)

### Views on implementation of paragraphs 12(a), (b) and (c) of decision 18/CMA.1

#### related to Common Reporting Tables, Common Tabular Formats, outlines of Biennial Transparency Report, National Inventory Document, Technical Expert Review Reports and training programme for technical experts participating in reviews

15 June 2019

Belize welcomes the opportunity to present views on behalf of the Alliance of Small Island States (AOSIS), a group of 44 developing countries among the most vulnerable to the adverse effects of climate change. Belize makes this submission in response to paragraph 12 of decision 18/CMA.1.

#### 1. Mandate

Paragraph 12 of decision 18/CMA.1 mandates SBSTA to develop a series of reporting and review tools as follows:

12. . . requests the Subsidiary Body for Scientific and Technological Advice to develop, pursuant to the modalities, procedures and guidelines, for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its third session (November 2020):

(a) **Common reporting tables** for the electronic reporting of the information referred to in chapter II, **and common tabular formats** for the electronic reporting of the information referred to in chapters III, V and VI of the annex, taking into account the existing common tabular formats and common reporting formats;

(b) **Outlines of the biennial transparency report, national inventory document and technical expert review report**, pursuant to the modalities, procedures and guidelines contained in the annex;

(c) **A training programme** for technical experts participating in the technical expert review (emphasis added)

#### 2. Guiding principles and key considerations

A number of core transparency-related principles in Article 13 of the Paris Agreement and its adopting decision 1/CP.21 are reflected in the modalities, procedures and guidelines (MPGs) for the enhanced transparency framework (ETF) adopted at COP24. These include guiding principles in paragraph 3(a)-(h) of the Annex to decision 18/CMA.1 ("Annex 18/CMA.1").

The reporting tables and report outlines to be developed under the SBSTA must support and not undermine these principles or the MPGs. The design of the products should aim to promote and facilitate reporting that:

- **improves in its quality and comprehensiveness over time**, and which becomes **more transparent, accurate, complete, consistent and comparable (TACCC) over time** - same or better quality/quantity of reporting than previously, with improved reporting over time;
- provides transparent information that ensures **environmental integrity** and **avoidance of double counting**
- ensures there is **no backsliding** - with Parties maintaining at least the frequency and quality of reporting under the Convention,
- strikes an appropriate balance between delivering complete and transparent information, while **not placing undue reporting burden on developing country Parties with limited capacity**, and
- is facilitative, non-intrusive, non-punitive and respects national sovereignty,

while taking into account the need to provide flexibility to those developing countries that need in light of their capacities and recognising the special circumstances of the LDCs and SIDS.

In addition, AOSIS is of the view that the following considerations are of vital importance for the design of the reporting tables/report outlines and the effective implementation of the ETF:

- **Quantitative information generated from the ETF should be capable of aggregation and qualitative information should be presented in ways that facilitate synthesis.** This is critical for purposes of inputs to the 5-yearly Global Stocktake -- for delivering information that when aggregated will tell us how Parties are collectively progressing towards achieving the purpose of the Paris Agreement and its long-term goals. It is also needed to clarify the support provided and received by Parties. Having information that can be aggregated will also help ensure that duplication of work and undue burden on Parties and the Secretariat can be avoided. It will also support linkages to the Article 15 mechanism.
- Reporting tables and formats should also **allow Parties to provide qualitative information where relevant.**
- As a related practical issue, the design of the common tabular formats (CTF) and common reporting tables (CRT) should require **information to be provided electronically in machine readable formats** in order to address problems encountered in the use of the CTFs/CRTs currently in use under the Convention (e.g. information reported in pdf formats).

- An effective means of **detailing the use of flexibility provisions where they are provided for in the MPGs** for those developing countries that need it in light of their capacities will need to be developed for the reporting tables/report outlines. Consistent with paragraph 6 of Annex 18/CMA.1, space should be provided for Parties *“to indicate provisions to which flexibility is applied”*, to *“clarify capacity constraints, noting that some constraints may be relevant to several provisions”* and *“provide self-determined estimated time frames for improvements in relation to those capacity constraints”*. A tabular format for this information would support transparency and provide a useful tool to review teams as they initiate their reviews.
- **Formats and approaches for detailing the use of flexibility provisions** in the reporting tables/report outlines should facilitate improvement over time and ensure no backsliding (e.g. single fixed format CRTs/CTFs with appropriate notations, footnotes etc). This will need to be designed in ways that do not impose undue burden on developing country Parties.
- The scope for interested Parties to report on **information related to loss and damage** must be visible via a **distinct heading on loss and damage in the BTR outline**, consistent with paragraph 115, section IV, G of Annex 18/CMA.1.
- The reporting tables/report outlines should be designed to make it clear and easy for Parties to elaborate **capacity building needs** and **areas of improvement** with respect to reporting under the ETF. This is particularly important for capacity-constrained countries such as SIDS and LDCs, which will be using the ETF to map capacity building needs for reporting, with a view to the development of relevant institutional frameworks and identification of capacity building assistance and other support needs.
- **Engagement in regular reporting will become essential for SIDS and LDCs planning to participate in Article 6 of the Paris Agreement.** Thus capacity-building support for reporting on Article 6 issues under the ETF is vital.
- Double counting needs to be avoided in order to preserve the environmental integrity of the Paris Agreement. For example, to avoid double counting, Parties that participate in Article 6 will need to have systems in place to account for their NDCs, emission reductions and mitigation outcomes, and to make corresponding adjustments in connection with emission reductions and mitigation outcomes, as required by paragraph 77(d) of Annex 18/CMA.1, and by the rules and guidance for Article 6 to be agreed pursuant to the mandates given to SBSTA in connection with decision 1/CP.21.

### 3. Starting point and approach to the work

The further work of SBSTA on the ETF must **remain faithful to and be consistent with Article 13 of the Paris Agreement and the MPGs agreed to in decision 18/CMA.1**. The further work should not be used as a vehicle for re-negotiating the Paris outcome or the MPGs on transparency.

The “**existing common tabular formats and common reporting formats**” referred to in para 12(a) of 18/CMA.1 **should be understood to refer to those formats currently used for Convention reporting by Annex I Parties** (i.e. decision 19/CP.18 for CTFs and CRF Tables adopted by SBSTA 39). In order to ensure no backsliding, and provide space for improvement in reporting by developing country Parties, the required reporting tables under the Paris Agreement should take into account these Annex I reporting tables and common formats. The common tables and formats will need to be augmented and refined to incorporate and accommodate the new and revised elements of the transparency MPGs (e.g. additional table for structured summary as per paragraph 77 of Annex 18/CMA.1) and to accommodate all types of NDCs.

The development of outlines for the BTR, national inventory document and TER reports, and the training programme for technical experts, will also benefit from **drawing upon lessons learned** from existing transparency arrangements under the Convention, including national communications, biennial reports and biennial update reports, international assessment and review and international consultation and analysis, as well as from experience with aggregation in the compilation of biennial assessments and overview of financial flows.

#### **4. Common reporting tables for national inventories (Chapter II)**

Paragraph 38 of Annex 18/CMA.1 provides that the national inventory report consists of a national inventory document and the common reporting tables (CRTs).

The current CRF Tables used by Annex I Parties under the Convention provide the logical starting point for development of the CRTs under the Paris Agreement, as they are based on the 2006 IPCC Guidelines, which all Parties are obliged to use under the ETF and its MPGs (paragraph 20, Annex 18/CMA.1). Using the CRF Tables as a basis for the CRTs will also be in line with the principle of no backsliding (for Annex I Parties) and provide scope for improvement over time for Parties as capacities build and data availability develops, thus promoting TACCC principles, as required under Article 4.13, recognizing that capacity building support will be provided to developing countries.

The CRTs should contain common tabular formats applicable to all Parties, with appropriate referencing of options in these tables for relevant developing country Parties to indicate when flexibility is being applied for one or more of the referenced provisions. In other cases, although not specified as “flexibility” provisions, the MPGs respond to the variation among Parties of data availability through the use of notation keys (paragraph 31) and these will need to be translated in the CRTs. It will be important that the CRTs provide room for developing country Parties to make the distinction between when flexibility is being applied due to capacity constraints (paragraph 32), and when other factors result in the use of notation keys or blank elements. For SIDS, this will be important for identifying capacity building needs for national inventories.

#### **5. Common tabular formats for reporting of information necessary to track progress in implementing and achieving NDCs (Chapter III)**

The centerpiece of the CTFs under Chapter III of the MPGs will be the “**structured summary**”, as outlined in paragraph 77, containing information referred to in paragraphs 65-76, of Annex 18/CMA.1. AOSIS is pleased that structured summaries are to be used by Parties to track progress in implementing and achieving Parties’ NDCs under Article 4, which will collect **quantified information** on NDCs and their implementation in an accessible and transparent tabular format. This will promote TACCC principles.

The CTFs for “UNFCCC biennial reporting guidelines for developed country Parties” in decision 19/CP.18 contain useful elements to consider for development of the structured summary, recognising that some different and additional elements will be needed. Also, as is reflected in paragraph 79 of Annex 18/CMA.1, the CTFs will need to accommodate all types of NDCs under Article 4. Careful consideration will need to be given to how the structured summary will best achieve this, including how to accommodate NDCs with multiple targets, single year and multi-year targets.

With respect to Paragraph 77(d) of Annex 18/CMA.1 and links to Article 6 of the Paris Agreement:

- **Paragraph 77(d) contains useful elements** including the need to allow Article 6 information to “dock” in the structured summary, references to an emissions balance and corresponding adjustments undertaken, information on each cooperative approach and on the annual level of anthropogenic emissions by sources and removals by sinks covered by a Party’s NDC.
- Nevertheless, as per the separate SBSTA mandates under decision 1/CP.21, **Article 6 requires its own set of rules** that will have to address, among other things, for example under 6.2, measures to ensure environmental integrity, measures to ensure transparency, including in governance, measures to ensure robust accounting, and measures to ensure that double counting is avoided through the mechanics of the rules adopted for the implementation of corresponding adjustments. SBSTA has not yet delivered against these mandates, for adoption by the CMA.
- Paragraph 77(d) of the MPGs and other paragraphs that reference Article 6 in the ETF do **provide markers** for how Article 6 information will feed into the ETF and broad types of information, but the ETF and decision 18/CMA.1 is not sufficient to support the operation of Article 6. The ETF provisions do not replace or constitute the guidance mandated to SBSTA for Article 6.2, or the rules, modalities and procedures needed for Article 6.4 to operate.
- Paragraph 77(d) does make clear that **quantified Article 6 information and related corresponding adjustments**, in CO<sub>2</sub> equivalent, will flow into the structured summary.
- Paragraph 77(d) indicates that annual NDC-related emission level information, on an annual basis, will be reported biennially in the structured summary by parties participating in cooperative approaches under Article 6 or authorizing the use of mitigation outcomes for international mitigation purposes other than achievement of

NDCs; however, information may need to be reported **more frequently than biennially, and from all participating parties**, to support the operation of Article 6. Information may also need to be reported prior to 2024. The timing, content of, and vehicles for the information required in connection with Article 6 have yet to be developed and recommended by the SBSTA for adoption by the CMA.

- Under 18/CMA.1, all Parties have agreed that if they have authorised the use of mitigation outcomes for international mitigation purposes other than achievement of their NDCs, they will provide information required by paragraph 77(d) in their structured summaries. This will help ensure, for example, that mitigation outcomes and emission reductions authorized for use for **CORSIA offsetting** purposes are tracked, and not double counted with emission reductions used toward NDCs or double counted elsewhere.

## **6. Common tabular formats for financial, technology development and transfer and capacity building support provided and mobilized (Chapter V)**

The mandate for common tabular formats (CTFs) under Chapters V and VI of the MPGs provides an excellent opportunity to develop common tools that facilitate improved reporting over time on financial and other support, and that deliver greater consistency, comparability and completeness of information in line with the TACCC principles. Development of the CTFs should also be guided by the objectives for Parties to have better information on how we are collectively tracking towards the goals of scaled-up support and means of implementation to developing countries, including scaled-up support for adaptation to developing countries that are particularly vulnerable to the adverse impacts of climate change, as well as the finance-related long-term goal in accordance with Article 2.1(c) of the Paris Agreement. In designing the CTFs, Parties should keep these principles and objectives front-of-mind.

The work on CTFs under Chapter V of the transparency MPGs can build upon and improve existing CTFs used by Annex I Parties for biennial reports and national communications. Additional details and columns will need to be added to reflect new quantitative elements (e.g. option of finance being expressed in terms of grant equivalent) and qualitative elements (e.g. the underlying assumptions, definitions and methodologies) contained in the MPGs. Improvements to the existing CTFs should also be made in response to lessons learned from experiences under the Convention. The CTFs should contain and be consistent with all the elements outlined in the relevant paragraphs of Chapter V of the MPGs (paragraphs 123, 124, 125, 127, 129).

With regards to paragraph 123 of MPG V(C)(1) in the Annex to Decision 18/CMA.1 on 'Information on financial support provided and mobilized' via '**Bilateral, regional and other channels**', AOSIS is of the opinion that:

- under '(c) **recipient**' it should be specified that where there is mention of a '**region**' as the recipient that the **Party should endeavour to disaggregate** which particular countries in that region are recipients of support **where possible**. This can be included via a footnote in the CTF table.
- Additionally, in relation to '(l) whether it contributes to **capacity-building and/or technology development and transfer...**' it should be acknowledged that there are

clear linkages and potential overlaps with what will be reported in the CTF table under para 127 of MPG V(D) on 'Information on support for **technology development and transfer...**'. Therefore, reporting safeguards must be put in place **to avoid potential overlaps and double counting** of such support. These reporting areas should be flagged as high risk for double counting. This can be done via the inclusion of footnotes signaling that once a support activity has been reported in one CTF table that it cannot be reported in another. This should also apply for the reporting in the CTF table under para 129 of MPG V(E) on 'Information on **capacity building support...**'.

In relation to para 124 of MPG V(C)(2) in the Annex to Decision 18/CMA.1 on 'Information on financial support provided and mobilized' via '**Multilateral Channels**', AOSIS is of the view that:

- all the relevant information is mandated to be in the CTF tables particularly, inter alia, the column for '(d) **core-general or climate specific**' as well as '(e) **inflows and/or outflows**'.
- Furthermore, in regard to relevant information on '(f) **recipient**' it should be specified that where there is mention of a '**region**' as the recipient that the **Party should endeavour to disaggregate** which particular countries in that region are receiving this support **where possible**. This can be included via a footnote in the CTF table.
- in relation to '(n) whether it contributes to **capacity-building and/or technology development and transfer...**' it should be acknowledged that there are clear linkages and potential overlaps with what will be reported in the CTF table under para 127 of MPG V(D) on 'Information on support for **technology development and transfer...**'. Therefore, reporting safeguards must be put in place **to avoid potential overlaps and double counting** of such support. These reporting areas should be flagged as high risk for double counting. This can be done via the inclusion of footnotes signalling that once a support activity has been reported in one CTF table it cannot be reported in the other one. This should also apply for the reporting in the CTF table under para 129 of MPG V(E) on 'Information on **capacity building support...**'.

## **7. Common tabular formats for financial, technology development and transfer and capacity building support needed and received (Chapter VI)**

This chapter of the transparency MPGs reflects a largely new area of reporting for developing countries. Existing guidance for biennial update reporting (BUR) provided by the Consultative Group of Experts (CGE) can serve as a useful reference point for starting the work. As for the CTFs under Chapter V, additional work will be required to incorporate into the CTFs all elements in relevant paragraphs of Chapter VI of the MPGs (paragraphs 133, 134, 136, 138, 140, 142, 144).

SIDS and LDCs in particular will need well-funded and coordinated support for capacity building to develop reporting capacities in the areas covered under Chapter VI of the MPGs. This becomes doubly important given that this area of transparency reporting will be critical to SIDS and LDCs in identifying broader support needs and progress against those needs.

## **8. Outlines of the NID, BTR and TER report**

The **NID outline** should be elaborated on the basis of Chapter II of the MPGs (Annex, 18/CMA.1), with guidance on structure also drawn from the current National Inventory Reports for Annex 1 Parties (decision 24/CP.19) and the 2006 IPCC Guidelines. The NID outline should include appropriate references to provisions where flexibility is available to developing countries that need it in light of their capacities.

The **BTR outline** should follow the heading structure provided in the MPGs under Annex 18/CMA.1. Accordingly, the outline should incorporate I, II, III, IV... and A, B, C... level headings from Annex 18/CMA.1, where relevant. Incorporating two levels of headings will also assist in creating a structure that gives visibility to important narrative and qualitative elements of BTRs, for example, information on areas of improvement, capacity-building support needs, and national circumstances and institutional arrangements. It should be designed to accommodate all information that can be reported under the ETF (not just mandatory information), and to complement the predominantly quantitative information that will be reported through the CRTs and CTFs. The BTR outline should include appropriate references to the specific provisions where flexibility is available to developing countries that need it in light of their capacities, and provision for Parties to include information on areas of improvement in relation to reporting.

Development of the **TER report outline** should be guided by the scope and information to be reviewed detailed in Section VII.A and B of the MPGs and other relevant elements contained in Chapter VII of the MPGs, under Annex 18/CMA.1. It should also seek to represent information in as accessible and useful a form as possible taking into account: the importance of allowing Parties to be able to clearly identify areas of improvement, the need to highlight capacity building needs, and the desirability of making information available to the Article 15 Committee in keeping with paragraph 22(b) of decision 20/CMA.1. Given the capacity constraints faced by SIDS, AOSIS considers it particularly important that the TER Report outline provides adequate guidance on the role of TER teams in identifying areas of improvement and capacity-building needs.

## **9. Training programme for technical experts participating in the TER**

The development of a training programme for technical experts should build upon, and consider lessons learned from, the existing training programmes. Particular attention will need to be given to new or expanded elements subject to review under the ETF, including tracking progress made in implementing and achieving NDCs, and information on financial, technology development and transfer, and capacity-building support provided. It is appropriate for SBSTA to mandate the Secretariat to lead work on developing the training programme. Reviewers and the CGE should also play a role in supporting the development of the programme and the training of experts.

## **10. Organisation of work programme and next steps**

AOSIS is pleased that all the elements of the further work under the ETF have been grouped into the single SBSTA agenda item 10. This will help ensure appropriate coordination of the



different elements of work, as well as consistency and efficiency in managing cross-cutting issues (e.g. flexibility, areas of improvement, capacity building).

Progress on the work would benefit from early consensus at SBSTA 50 in Bonn on taking into account the existing common tabular formats and common reporting formats used for Convention reporting by Annex I Parties, as well as the report outlines used by Annex I Parties under the Convention where relevant, as the starting point for much of the work. Work can then quickly move to considering how these common tables and formats need to be augmented and refined to reflect the new and revised elements of the transparency MPGs and to accommodate all types of NDCs.

The sub-items (a)-(e) under SBSTA agenda item 10 will not all require an equal allocation of time. It is the view of AOSIS that work on the structured summary in particular should be given additional time from the outset as this is likely to require considerable work given it is a new element and covers many issues.

In preparing a timetable and considering milestones for the work under SBSTA agenda item 10 through to COP26, adequate time will need to be set aside in 2020 to **incorporate the outcome of SBSTA agenda item 11** on matters relating to Article 6 (mandated for completion at COP25 in December 2019) into relevant elements of the ETF reporting tables/report outlines. This could include the need for additional CTFs and further work on the structured summary and other elements as they relate to Article 6 (e.g. as per paragraphs 64(f) and (g), 75(f), 76(d), 77(d) of Annex, 18/CMA.1). The likelihood of the need for further work in 2020 in these areas underscores the importance of making substantive progress on other elements in 2019.

AOSIS supports the use of additional rounds of submissions, technical papers and/or technical workshops in 2019 and 2020 to assist the SBSTA to bring focus and the experience of relevant experts to the technical aspects of the work.

The group further supports the SBSTA mandating the Secretariat to play an active role in supporting the preparation of draft documents for the consideration of Parties, including draft CRTs/CTFs and the training programme for technical experts participating in the TER. It may also be useful for the SBSTA to request the Secretariat to produce technical papers for the purpose of assisting Parties in advancing the work.