

# Submission by Finland and the European Commission on behalf of the European Union and its Member States

Helsinki, 10 October 2019

**Subject: Views on the work referred to in paragraph 11 in the Conclusions from SBSTA 50, agenda item 10, Methodological Issues under the Paris Agreement**

## *Introduction*

SBSTA 50 invited Parties to submit information on their views on the matters related to the fulfilment of the mandate referred to the consideration of methodological issues under the Paris Agreement to develop, pursuant to the modalities, procedures and guidelines for the enhanced transparency framework of action and support (MPGs):

- (a) Common reporting tables for the electronic reporting of the information in national inventory reports of anthropogenic emissions by sources and removals by sinks of greenhouse gases;
- (b) Common tabular formats for the electronic reporting of the information necessary to track progress made in implementing and achieving nationally determined contributions under Article 4 of the Paris Agreement;
- (c) Common tabular formats for the electronic reporting of the information on financial, technology development and transfer, and capacity-building support provided and mobilized as well as support needed and received, under Articles 9-11 of the Paris Agreement;
- (d) Outlines of the biennial transparency reports, national inventory document and technical expert review report;
- (e) A training programme for technical review experts participating in the technical expert review.

The invitation from SBSTA covered any views on the above-mentioned matters, including the following elements:

- (a) Experience with using the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, the common reporting format, the transition to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories and countries' experience with that transition, and the development of country-specific tools for facilitating GHG inventory reporting;
- (b) Common tabular format for tracking progress in implementing and achieving the nationally determined contributions;
- (c) Tables for reporting on support needed and received, and support mobilized;
- (d) Approaches to operationalizing the flexibility for those developing country Parties that need it in the light of their capacities, as defined in decision 18/CMA.1.

The EU welcomes the opportunity to complement its previous views under this agenda item. The EU submissions on this issue on 1<sup>st</sup> April 2019 and 12<sup>th</sup> June 2019 details its views on this agenda item broadly, including views on the work programme. In this respect, the EU wishes reiterate its views on the need to focus the work on the development of the tables and also to consider whether dedicated expert workshops or any synthesis of views by Parties would be needed taking into account the large amount of work still to be finalised.

The submission text below addresses the specific elements included in the invitation from SBSTA 50 in separate sections.

**Subject: Experience with using the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, the common reporting format, the transition to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories and countries' experience with that transition, and the development of country-specific tools for facilitating GHG inventory reporting.**

### *Summary of key points*

- The EU is of the view that the 2006 IPCC Guidelines provide a definite improvement over the previous guidance reflecting newer scientific knowledge on methodologies for estimating greenhouse gas emissions and removals, and also by being generally more user friendly.
- The transition to the 2006 IPCC Guidelines requires efforts due to new emission sources as well as methodological changes. However, for the vast majority of emission sources, there were little to no changes in methodologies and for these sources the transitioning mostly concerned updating emission factors or other calculation parameters, where these were updated in the IPCC Guidelines.
- Changes in classification and order of reporting different categories implied a reorganization of the estimation process, in order to produce input data to the revised Common Reporting Format.
- The EU recognizes the challenges in adapting emission inventory systems to updated methodological guidance but emphasises the need for emission inventories to reflect the best and latest scientific knowledge.
- It is very important to maintain the principle of a common reporting format, while still allowing for specific national circumstances to influence the sectoral disaggregation.
- It is very important that the reporting software is user friendly and supports the reporting process fully and efficiently.

### *Experience with using and transitioning to the 2006 IPCC Guidelines*

The EU has used the 2006 IPCC Guidelines as implemented through the Revised UNFCCC Annex I inventory reporting guidelines (Decision 24/CP.19) since the submission in 2015. Previous reporting guidelines required the use of the Revised 1996 IPCC Guidelines complemented by the 2000 IPCC Good Practice Guidance and 2003 IPCC Good Practice Guidance on LULUCF.

Based on the EU's experience with transitioning to the 2006 IPCC Guidelines, it is clear that the 2006 IPCC Guidelines provided a definite improvement over the previous guidance, as they are generally more user friendly (more clearly structured, more complete with information for all sources, and also providing better guidance related to crosscutting issues, etc.). The transition did require additional efforts, both in relation to going through the 2006 IPCC Guidelines and collecting data for new sources, updating methodologies and updating default emission factors or other parameters.

The EU found that peer to peer learning and testing of new methods was very useful during the implementation of the Guidelines. Involvement in the expert review process under the UNFCCC also helps – it is a good route for countries to enhance the knowledge of experts that can then get insight into how other countries address the inventory compilation and reporting challenges.

Besides the update of methods, large efforts were necessary to adapt the national emission data systems to be able to use the new reporting software, the CRF Reporter. The CRF Reporter was not fully developed and functional during the transition period. EU Member States used a lot of time and resources “testing” the software and identifying errors to help the secretariat improve the functionality of the CRF Reporter. Now, while there is still room for improvement, the software functions well, input is easy using Excel, and possible also using automated xml-input. This underlines the importance of the software being thoroughly tested and experiences from users being taken into account prior to the official release. It is also very important to ensure that it is as easy as possible to adapt the reporting software to the many different inventory setups in individual Parties.

For many sectors, the 2006 IPCC guidelines contain similar methodologies as the previous IPCC guidance. However, also significant differences and new sources also exist; these are outlined below.

#### **Energy**

In the fuel combustion sector, the methodologies are identical and only changes to default emission factors occurred. Classification changes added disaggregation but improved consistency with classification used in energy statistics. As such, there were no major difficulties in transitioning from earlier IPCC guidance to the 2006 IPCC Guidelines.

For fugitive emissions from fuels, there is methodological guidance for abandoned coal mines in the 2006 IPCC Guidelines. Additionally, there is more comprehensive guidance for oil and gas systems, but the energy sector reporting generally depends on the same basic activity data as was needed in earlier guidance.

## Industrial processes and product use

For industrial processes and product use (IPPU), some new source categories were introduced mostly related to product uses, such as lubricant use, paraffin wax use and N<sub>2</sub>O used for e.g. anaesthesia or as propellant. There can be challenges in acquiring the relevant activity data and in some cases, emissions have proven to be insignificant. There were also additional sources included under chemical production. For the majority of sources, the changes in methodology did not require additional data collection, so the main work was to implement the new emission categories. For fluorinated gases, there was a change from potential emissions being the tier 1 approach and actual emissions being the tier 2 approach to all tiers being based on actual emissions in the 2006 IPCC Guidelines.

The 2006 IPCC Guidelines introduced guidance on the allocation of CO<sub>2</sub> emissions to fuel combustion or industrial process emissions. In several cases, the concept introduced by the 2006 IPCC Guidelines lead to a re-allocation of emissions from the energy to the IPPU sector. The general experience of the EU and its Member States with this concept is that it added transparency overall, but quite some effort was needed to implement the re-allocation. In some cases, the allocation was left unchanged and the notation key "IE" ("included elsewhere") was used. It should be noted that the allocation guidance introduced by the 2006 Guidelines did not affect the use of methods to estimate emissions or the emission totals.

## Agriculture

In the 2006 IPCC Guidelines the agriculture and land use sector were combined (to AFOLU). However, this was revised during the implementation through the Revised UNFCCC reporting guidelines. For agriculture, there are more or less the same emission categories covered. Some additional animal types were included with default emission factors and an additional source was included (N mineralisation associated with loss of soil organic matter). Finally, additional animal waste management systems are considered in the 2006 IPCC Guidelines.

## Land use, land-use change and forestry (LULUCF)

The 2006 IPCC Guidelines are similar in contents to the IPCC Good Practice Guidance for LULUCF which was adopted in 2003. A chapter on generic method was introduced, and some clarifications in methodologies and few updates in parameters and emissions factors were made. The transition involved therefore very few changes in reporting.

The transition from the Revised 1996 IPCC Guidelines to IPCC Good Practice Guidance of LULUCF involved more significant changes as the categories for reporting were extended from a limited set on land-use conversion and forestry categories to cover all land-use categories in a comprehensive way. At the same time, the methodological guidance was improved significantly, adding and updating parameters with larger geographical coverage. The transition involved challenges in activity data collection for many Member States but also made the preparation process easier due to more clarity in the guidance and provision of default values for the methodologies.

## Waste

In the waste sector, a new methodology for biological treatment of waste (composting and anaerobic digestion) was introduced with the 2006 IPCC Guidelines. The tier 1 methodology for landfills was changed so that the default is now a first order decay model. This necessitates the use of activity data for historic years to implement the model. If this data is not available, methods to estimate these data are provided. The 2006 IPCC Guidelines provide also updated activity data (amount generated and how it is treated) by country and region which facilitate the reporting.

### *The Common Reporting Format*

The common reporting format (CRF) is essential to ensure the comparability and transparency of the emission inventory reporting. The CRF needs to contain the level of detail that is necessary to facilitate a review of the information provided.

The CRF contains a number of mandatory categories typically based on categories for which there are methodologies and default emission factors in the 2006 IPCC Guidelines. Under several categories, there is the option to subdivide a category if data allows. In the CRF, this option is often implemented by using drop-down lists for reporting of more disaggregated data, allowing also the reporting of aggregated data. This is something that has proven very useful as different national circumstances can make differences in reporting relevant. For example, the disaggregation of manufacturing industries can differ depending on national circumstances.

It is very important to maintain the principle of a common reporting format, while still allowing for specific national circumstances to influence the sectoral disaggregation.

An important issue that all Parties face is how to link their national inventory systems to the reporting software in order to generate the reporting tables. In many EU Member States, activity and emission data are stored in databases, but some Member States calculate and store their data in spreadsheet format.

The conversion of the inventory data into the CRF format is facilitated by the CRF reporter software, which allows for data input in tabular format. Some Member States developed simple tools (e.g. VBA macros in Excel), which converted their spreadsheets into a tabular format readable by the CRF reporter, while others adapted their national systems to generate a single xml file and used that as an input file. In many cases, hybrid approaches have also been implemented, in these cases parts of the data are provided in a format readable by the CRF reporter, whereas some components – for which automatic conversion would be difficult – are entered manually.

It is important that the reporting software support many different types of national inventory systems. It could be considered in the future development to investigate whether it would be possible for e.g. the IPCC software to be able to export data in a format that could be imported into a future reporting software. Some examples already exist, e.g. the COPERT model used by many EU Member States to estimate emissions from road transport is able to export an xml file that can be imported into the CRF Reporter. The EU has also developed a tool, the CRF Aggregator, for aggregating the inventory data from its Member States. This tool is also used by some Member States for aggregating inventory data from subnational to national level.

## Subject: Common tabular format tables for tracking progress in implementing and achieving nationally determined contributions;

### *Summary of key points*

- Provision of NDC descriptions in tabular format would ensure transparency of the information necessary for tracking progress and also facilitate Parties' reporting.
- Information on indicators and methodologies and accounting approaches can be contained in common tabular formats, with custom footnotes designed to accommodate all NDCs.
- The EU sees a structured summary table as essential for provision of information for tracking progress in implementing and achieving progress with NDC. A single tabular format can be developed for this.
- Parties who voluntarily choose to use Article 6 will need to include information outlined in paragraph 77(d) in the structured summary.

### *Tables for tracking progress in implementing and achieving NDCs*

Our previous submissions included the suggestion of developing a common tabular format for Description of the NDC (**Section III.B**). We believe that providing the NDC description in a tabular format would ensure transparency of the information necessary for tracking progress and also facilitate Parties' reporting. The tabular format suggested in our June submission is quite straightforward, using elements from paragraph 64 of the MPGs, and building on the existing Biennial Report common tabular format 2 a), b) and c) from decision 19/CP.18. Past experience in the UNFCCC showed that tabular formats were a popular approach used by many developed and developing countries for the description of their targets. For example, in their NDCs, many Parties provided information as listed in paragraph 14 of decision 1/CP.20 (information to facilitate clarity, transparency and understanding) in a simple tabular format. In one column the type of information was provided (e.g. 'Scope') and in another column the actual information was provided in textual or numerical format, as applicable. The structure of the table suggested by the EU is very similar, as it provides the type of information in the first column, followed by fields where either textual or numerical information can be entered.

The proposal for a tabular format for Section III.B, supported also by other Parties at SBSTA 10, is not mentioned in the Informal Note by the Co-facilitators. We expect to discuss this in Santiago since there was not sufficient time at SBSTA 50.

Regarding **Section III.C** on tracking progress made in implementing and achieving the NDCs under Article 4, in this submission we address the contents of the common tabular formats needed for tracking progress, noting that Parties may also need to provide clarifications in the narrative of their BTR.

We note the co-facilitators' proposal to cluster the information as follows.

- Indicators;
- Methodologies and accounting approaches;
- Structured summary;
- Regarding paragraph 78 of the MPGs, the information necessary to track progress on the implementation and achievement of the domestic policies and measures implemented to address the social and economic consequences of response measures.

In our view, information on *indicators* and *methodologies and accounting approaches* can be contained in common tabular formats, with custom footnotes designed to accommodate all NDCs and specify for which circumstances or specific issues the information is applicable. For example, a footnote can clarify the applicability of paragraphs 71 and 72 of the MPGs with respect to the first, second and subsequent NDC.

The *structured summary* is a single tabular format for reporting on both implementation and achievement of each Party's NDC. It should incorporate all the information required under paragraph 77(a) to 77(c) as well as 77(d)(i) and 77(d)(ii) of the MPGs. This information is in turn based on the indicators and methodological information reported under paragraphs 65-76, and the NDC communicated by the Party (and described under paragraph 64 of the MPGs). Some of the elements from paragraphs 65-76 (such as the comparisons mentioned in paragraphs 69 and 70) could also be incorporated into the structured summary directly.

As stated in our previous submission, the structured summary table should include the information outlined in paragraph 77(d)(i) and 77(d)(ii) that Parties who voluntarily choose to use Article 6 will have to provide. Specific tabular formats will be needed to accommodate the information required under paragraph 77(d)(iii) and 77(d)(iv). Additional specific information and/or clarification will be required following the adoption of decisions on Article 6 by the CMA.

For the vast majority of Parties, the information contained in the structured summary will be quantitative, since Parties shall select indicators that are relevant to their NDCs, and most NDC targets have at least one quantifiable component. For example, for NDCs with quantified targets, the structured summary must be a quantified time series containing the indicators needed to track progress towards these targets. Where the Party chooses to use voluntary cooperation under Article 6 or authorises the use of mitigation outcomes for international mitigation purposes other than achievement of its NDC, there must be a quantified time series containing the GHG indicator necessary to track progress towards its target and an emissions balance to reflect transfer, acquisition, authorisation and use.

In the few cases where the NDC is not quantifiable, such as those Parties using Article 4.6 from the Paris Agreement, the Parties may have to select qualitative indicators. In our view, the possible co-existence of qualitative and quantitative information in the structured summary does not affect its design. Short qualitative information can easily be included in the table, as applicable to the NDC, for example as narrative information, complemented with longer textual explanations in documentation boxes or in the narrative part of the report.

Regarding policies and measures (Section III.D), we welcome the co-facilitators' proposed tables in Annex I, with preference for Option 1 as providing information in columns may have practical disadvantages.

Regarding projections of greenhouse gas emissions and removals (Section III.F), we welcome the co-facilitators' proposed tables provided in Annex II of the informal note. In Santiago, we expect to discuss the projection of key indicators required under paragraph 97 of the MPGs, since this does not seem to be included in the co-facilitators' proposal. As suggested in our June submission, one option could be to have a single table covering the information mandated under paragraphs 96 and 97. This would have one main heading on key parameters and assumptions (as per the current co-facilitators' proposal) and another main heading on key indicators used to determine progress toward NDCs.

## Subject: Views on tables for reporting on support needed and received, and support mobilized

### *Summary of key points*

- The elements of the CTFs on support needed and on support received have been defined in decision 18/CMA.1 paragraphs 133, 134, 136, 138, 140, 142 and 144. The reporting elements for information on finance mobilized through public interventions, has been defined in paragraph 125 of decision 18/CMA.1.
- The expertise and knowledge of countries and of organisations and institutions outside the UNFCCC should be used for the development of these tabular formats for reporting on support needed and received, and support mobilized.

EU emphasises that SBSTA should clearly focus on the development of well-defined, easy-to-use tables for the reporting of information on support needed and received, and on support mobilised within in the process of developing CTFs.

Due to limited experience of Parties reporting on support needed and received but also reporting on support mobilized through public interventions, the expertise and knowledge of organisations and institutions outside the UNFCCC should be used for the development of these tabular formats, to capture the progress made so far and to ensure the alignment with other data systems, as far as possible. In this submission, the EU focuses on key elements of reporting on support needed, received and mobilized through public interventions which should clearly be taken into account while developing the common tabular formats, in line with the MPGs.



### *Tables for reporting on support needed and received*

The elements of the CTFs on support needed and on support received have been defined in paragraphs 133, 134, 136, 138, 140, 142 and 144 of the MPGs to facilitate the reporting of this information by developing country Parties and should now be converted from the text of the MPGs into a tabular structure. The reported data should serve a purpose that will lead to supporting their climate actions.

Reporting on support needed and received by developing countries is not obligatory under the current reporting requirements under the Convention. Decision 2/CP.17 Annex III paragraph 14 and 15 encourages Non-Annex I Parties to provide updated information on support needed and received. Therefore, development of tabular formats for reporting on support needed and received could learn from experience under other initiatives outside of the UNFCCC process as well as from Parties own experience who have done the reporting voluntarily already now.

Opportunities to tackle identified challenges should be explored to ensure improvements in future biennial transparency reports, without putting undue reporting burden on the Parties. Such challenges include:

- Collecting data and tracking finance received and needed outside of the national government (for example funding directed towards NGOs or local governments);
- Identifying finance received as targeting climate change versus other development goals;
- Tracking financial flows originating from multiple financial contributors;
- Providing information at the project-level;
- Tracking and reporting information on private climate finance received and needed.

### Support needed

#### **Use of existing sources of information**

The CTFs on support needed should allow for reported information to correctly reflect relevant data from developing country Party's Nationally Determined Contributions, National Adaptation Plans, National Adaptation Programmes of Action, Technology Needs Assessments, and other sources for reporting on support needed. By using existing sources, Parties can avoid duplicating work and ensure internal consistency in reporting on support needed.

#### **Evidence-based methodologies for support needed**

CTFs on support needed should be broadly in line with the key common elements of national plans and strategies and allow to report information on projects where domestic resources are allocated and need co-financing. If reported support needs are quantitative in nature, then the biennial transparency report and, where applicable, CTFs should allow for inclusion of a clear explanation, adequate evidence and information on methodologies used to quantify this support.

### Support received

It is important that CTFs allow for reporting on the use, impact and estimated results of the support received to understand whether the provided support is used in an effective way, what impact it delivered on the countries' priorities in the fight against climate change and whether this kind of support reached the results

envisaged. Parties should consider how such information could be communicated consistently in a tabular format, for instance through the use of indicators that enhance clarity.

Project	...	Use	Impact	Estimated results	...

### *Reporting on support mobilised by public interventions*

Reporting elements for information on finance mobilized through public interventions, have been defined in paragraph 125 of the MPGs.

Reporting on support mobilised by public interventions is not obligatory under the current reporting provisions under UNFCCC. Decision 2/CP.17 Annex I paragraph 19 encourages Annex II Parties to report, **to the extent possible**, on private financial flows leveraged by bilateral climate finance. Therefore, the development of tabular formats for reporting on support mobilised could learn greatly from the existing experience under UNFCCC as well as from initiatives on tracking climate finance mobilised as the OECD Research Collaborative on Tracking Finance for Climate Action and from Parties own experience who have done it already voluntarily.

Opportunities to tackle identified challenges should be explored to ensure improvements in future biennial transparency reports, without putting undue reporting burden on the Parties. Such challenges include:

- Defining the “mobilised” nature of climate finance;
- Difficulty to institutionalise the tracking of (climate) finance mobilised;
- Lack of visibility of how much climate finance is mobilised by bilateral climate finance flows to multilateral organisations;
- Identifying and categorising the different types of instruments and public interventions that mobilise finance;
- Avoiding double-counting (e.g. when multiple partners fund a single activity).

The CTFs and/or common textual elements on support mobilised through public interventions should capture that future improvements in still evolving methodologies could gradually allow quantification of mobilized finance beyond co-financing.

## Subject: Approaches to operationalizing the flexibility for those developing country Parties that need it in the light of their capacities, as defined in decision 18/CMA.1.

### *Summary of key points*

- The EU stresses the importance of continuous improvements in reporting, including in areas where flexibilities are applied, to enhance transparency.
- For reflecting and implementing the flexibilities defined in decision 18/CMA.1, in the common reporting tables and formats, the biennial transparency report or national inventory document, a number of different options exist. The EU is of the view that a combination of, inter alia, notation keys, documentation boxes and narrative descriptions allows for transparent and efficient reporting on the use of these flexibilities.
- The EU notes that the common nature of the reporting tables must be retained when flexibilities are implemented and is of the view that the structure of the tables should facilitate improved reporting over time.
- In areas where flexibility provisions are applied, some information may still be available. The EU considers it important to encourage Parties to provide data as far as available in areas where they make use of flexibility provisions.

The specific flexibilities provided for in the individual provisions of the MPGs for those developing country Parties that need it in the light of their capacities are defined in the annex to decision 18/CMA.1. The importance of facilitating improved reporting and transparency over time is one of the guiding principles of the MPGs. The EU recognises the importance of capacity-building in supporting developing countries to improve their reporting and transparency over time. With improved reporting, the need for the application of flexibilities will decrease over time.

It is important to note that – aside from the specific flexibility provisions for those developing country Parties that need it in the light of their capacities – the MPGs provide for options/choices which can be made, taking into account a Party's circumstances and capacities. First, the MPGs contain a number of "should" "may" and "are encouraged to" provisions as well as different notations such as "on a voluntary basis", "to the extent possible" and "as available". Second, the 2006 IPCC Inventory Guidelines, which are to be applied according to chapter II of the MPGs, provide for different methodological tiers. Parties can make choices between different tiers, taking into account the capacity available. Finally, the MPGs allow for the aggregation of greenhouse gas emission data, e.g. in case capacity constraints do not allow for the reporting of detailed data. Parties may combine several source/sink categories and report "included elsewhere" under those categories which are not reported. It is important to recognise that the use of these provisions and notations should not be perceived as a deficiency in a Party's reporting during for instance the technical expert review process.

The EU acknowledges that there are several ways of reflecting these options/choices in reporting, depending on national circumstances and data availability, that are applicable to all Parties, such as:

- Footnotes;
- Notation keys;
- Use of drop-down options in a common reporting format;
- Documentation boxes;
- Narrative description in reports.

The EU is not in favour of options where flexibility would be reflected in the reporting tables in a way that would change the common format of reporting, such as hiding blank rows or columns.

The specific flexibility provisions for those developing country Parties that need it in the light of their capacities are defined in the MPGs for different elements, namely in chapter II on the national inventory report (sections "C. Methods" and "E. Reporting guidance") and in chapter III on information necessary to track progress (sections "D. Mitigation policies and measures ..." and "F. Projections ...").

The way to reflect these specific flexibility provisions in reporting will depend on the nature of the specific provision itself. In the tables below, each specific flexibility provision provided for in the MPGs is listed together with the EU's view on how the specific flexibility can be reflected within reporting. It is important that the application of flexibility is documented transparently, clearly indicating the provision to which flexibility is applied, concisely clarifying the relevant capacity constraints and providing estimated time frames for improvements in relation to those capacity constraints. A table in the BTR and/or NID, listing the flexibilities used by a developing country that need these in light of its capacities, could be a useful tool for summarising this information.

Table 1: Views on how to address the specific flexibility provisions in chapter II - national inventory report

Section of the MPGs	Provision	Flexibility defined in the MPGs	Reflection within common reporting format, biennial transparency report or national inventory document
Para 25.	<p><b>Key category analysis</b></p>	<p>It is possible to identify key categories using a threshold no lower than 85 per cent in place of the 95 per cent threshold defined in the IPCC guidelines.</p> <p><i>Each Party shall identify key categories for the starting year and the latest reporting year referred to in chapter II.E.3 below, including and excluding land use, land-use change and forestry (LULUCF) categories, using approach 1, for both level and trend assessment, by implementing a key category analysis consistent with the IPCC guidelines referred to in paragraph 20 above; <b>those developing country Parties that need flexibility in the light of their capacities with respect to this provision have the flexibility to instead identify key categories using a threshold no lower than 85 per cent in place of the 95 per cent threshold defined in the IPCC guidelines referred to in paragraph 20 above, allowing a focus on improving fewer categories and prioritizing resources.</b></i></p>	<p>The application of this flexibility helps reducing the amount of work needed to estimate greenhouse gas emissions/removals during the transition to the Enhanced Transparency Framework. A recent analysis of emissions/removal data as presented in the UNFCCC Greenhouse Gas Data Interface suggests that the application of the 85 % threshold reduces the number of key categories (and hence the number of categories that require the application of more elaborate methods) by approx. 40 % on average.</p> <p>The EU is of the view that key categories should be reported in a common table, similar to the current Common Reporting Format (CRF) table 7. If the flexibility is applied, the structure of the table remains the same, but the lower threshold would mean that fewer categories are identified as key and are reported in that table. Information on whether the flexibility provision is applied should be</p>

			documented in either a footnote or the documentation box to the relevant table, including the percentage threshold applied to identify the key categories.
Para 29	<p><b>Uncertainty assessment</b></p>	<p>Rather than quantifying the uncertainties, flexibility is provided so that at a minimum, a qualitative discussion of uncertainty for key categories is provided.</p> <p><i>Each Party shall quantitatively estimate and qualitatively discuss the uncertainty of the emission and removal estimates for all source and sink categories, including inventory totals, for at least the starting year and the latest reporting year of the inventory time series referred to in paragraphs 57 and 58 below. Each Party shall also estimate the trend uncertainty of emission and removal estimates for all source and sink categories, including totals, between the starting year and the latest reporting year of the inventory time series referred to in paragraphs 57 and 58 below, using at least approach 1, as provided in the IPCC guidelines referred to in paragraph 20 above; <b>those developing country Parties that need flexibility in the light of their capacities with respect to this provision have the flexibility to instead provide, at a minimum, a qualitative discussion of uncertainty for key categories, using the IPCC guidelines referred to in paragraph 20 above, where quantitative input data are unavailable to quantitatively estimate uncertainties, and are encouraged to provide a quantitative estimate of uncertainty for all source and sink categories of the GHG inventory.</b></i></p>	The EU does not envisage a CRT table for the uncertainty assessment, so no flexibility is to be addressed in the tables. Application of this flexibility should be addressed in a narrative form in the NID/BTR.

<p>Para 32</p>	<p><b>Assessment of completeness</b></p>	<p>Possibility for flexibility related to the threshold for considering a category as insignificant and reporting emissions as Not Estimated (NE) in lieu of providing an emission estimate.</p> <p><i>Each Party may use the notation key "NE" (not estimated) when the estimates would be insignificant in terms of level according to the following considerations: emissions from a category should only be considered insignificant if the likely level of emissions is below 0.05 per cent of the national total GHG emissions, excluding LULUCF, or 500 kilotonnes of carbon dioxide equivalent (kt CO2 eq), whichever is lower. The total national aggregate of estimated emissions for all gases from categories considered insignificant shall remain below 0.1 per cent of the national total GHG emissions, excluding LULUCF. Parties should use approximated activity data and default IPCC emission factors to derive a likely level of emissions for the respective category. <b>Those developing country Parties that need flexibility in the light of their capacities with respect to this provision have the flexibility to instead consider emissions insignificant if the likely level of emissions is below 0.1 per cent of the national total GHG emissions, excluding LULUCF, or 1,000 kt CO2 eq, whichever is lower. The total national aggregate of estimated emissions for all gases from categories considered insignificant, in this case, shall remain below 0.2 per cent of the national total GHG emissions, excluding LULUCF.</b></i></p>	<p>The application of this flexibility helps reducing the amount of work needed to the estimate emissions/removals. A recent analysis of data as presented in the UNFCCC Greenhouse Gas Data Interface suggests that the application of the 0.1 per cent threshold instead of the 0.05 per cent threshold reduces the number of categories to be estimated by approx. 4 categories on average.</p> <p>The EU suggests a completeness table similar to the current CRF Table 9. In the "explanation" column, Parties would state whether the flexibility of the higher threshold was applied when estimating a source as NE. In addition, there should be documentation in the NID/BTR showing the likely level of emissions for each source considered insignificant and that the total national aggregate of estimated emissions for all gases from categories considered insignificant, in this case, shall remain below 0.2 per cent of the national total GHG emissions, excluding LULUCF.</p>
<p>Para 34</p>	<p><b>QA/QC</b></p>	<p>Possibility for flexibilities related to the development of a QA/QC plan and specific QC procedures.</p> <p><i>Each Party shall elaborate an inventory QA/QC plan in accordance with the IPCC guidelines referred to in paragraph 20 above, including information on the inventory agency responsible for implementing QA/QC; <b>those developing</b></i></p>	<p>The EU does not envisage a CRT table for QA/QC, so the flexibility does not need to be addressed in the tables. If this flexibility provision is applied, it should be addressed in a narrative form in the NID/BTR.</p>

<p>Para 35</p>		<p><b>country Parties that need flexibility in the light of their capacities with respect to this provision are instead encouraged to elaborate an inventory QA/QC plan in accordance with the IPCC guidelines referred to in paragraph 20 above, including information on the inventory agency responsible for implementing QA/QC.</b></p> <p><i>Each Party shall implement and provide information on general inventory QC procedures in accordance with its QA/QC plan and the IPCC guidelines referred to in paragraph 20 above; <b>those developing country Parties that need flexibility in the light of their capacities with respect to this provision are instead encouraged to implement and provide information on general inventory QC procedures in accordance with its QA/QC plan and the IPCC guidelines referred to in paragraph 20 above.</b> In addition, Parties should apply category-specific QC procedures in accordance with the IPCC guidelines referred to in paragraph 20 above for key categories and for those individual categories in which significant methodological changes and/or data revisions have occurred. In addition, Parties should implement QA procedures by conducting a basic expert peer review of their inventories in accordance with the IPCC guidelines referred to in paragraph 20 above.</i></p>	
<p>Para 48.</p>	<p>Sectors and gases</p>	<p>Possibility for flexibility related to the scope of gases included in the reporting.</p> <p><i>Each Party shall report seven gases (CO<sub>2</sub>, methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF<sub>6</sub>) and nitrogen trifluoride (NF<sub>3</sub>)); <b>those developing country Parties that need flexibility in the light of their capacities with respect to this provision have the flexibility to instead report at least three gases (CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O) as well</b></i></p>	<p>The EU is of the view, that this should be addressed in the reporting tables either by using an existing notation key (i.e. NE) or by defining a new notation key, e.g. Not Reported (NR).</p> <p>The EU is not in favour of having the option to delete or hide columns or rows from the common reporting tables, as that would compromise the concept of "common" tables.</p>



		<p><b><i>as any of the additional four gases (HFCs, PFCs, SF6 and NF3) that are included in the Party's NDC under Article 4 of the Paris Agreement, are covered by an activity under Article 6 of the Paris Agreement, or have been previously reported.</i></b></p>	<p>Parties may still delete columns or rows in the tables which they provide in the NID/BTR.</p>
Para 57.	<p><b><i>Time series – starting point</i></b></p>	<p>Possibility for flexibility related to the starting point of the time series, so that rather than reporting a time series back to 1990, it is possible to only include the reference year/period of the NDC as well as every year from 2020 onwards.</p> <p><i>Each Party shall report a consistent annual time series starting from 1990; those developing country Parties that need flexibility in the light of their capacities with respect to this provision have the flexibility to instead report data covering, at a minimum, the reference year/period for its NDC under Article 4 of the Paris Agreement and, in addition, a consistent annual time series from at least 2020 onwards.</i></p>	<p>Under the assumption that a structure similar to current CRF is retained (i.e. one file per year), the EU is of the view that if flexibility is applied Parties shall provide a Common Reporting table (CRT) for the reference year (or each year in a reference period), years from at least 2020 onwards and for all other available years. CRTs for years for which no data are available would not be included in the set of tables reported.</p> <p>In trend tables (such as Table 10 of the current CRF), all years starting in 1990 should be included and a notation key (e.g. NE or NR) should be reported for years without any data. The reasoning behind this is that data may be available for some early years.</p>

<p>Para 58.</p>	<p><b><i>Time series – latest reporting year</i></b></p>	<p>Possibility for flexibility related to the latest reporting year in a given submission, where that year may be three years prior to the NID submission ("X-3") rather than two years prior to the NIR submission ("X-2").</p> <p><i>For each Party, the latest reporting year shall be no more than two years prior to the submission of its national inventory report; <b>those developing country Parties that need flexibility in the light of their capacities with respect to this provision have the flexibility to instead have their latest reporting year as three years prior to the submission of their national inventory report.</b></i></p>	<p>Under the assumption that a structure similar to current CRF is retained (i.e. one file per year), the EU is of the view that if this flexibility is applied, then the Party will not provide the file for X-2 and will explain in the NID/BTR the application of this flexibility in the NID/BTR.</p> <p>The EU is of the view that "three years prior to the submission of their national inventory report" is counted from the year of submission, rather than from the year of the submission deadline. In case a NIR were reported in a later year than the year of the submission deadline, the latest reporting year would be three years prior to the year of submission.</p>
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Table 2: Views on how to address the specific flexibility provisions in chapter III –information necessary to track progress

Section of the MPGs	Provision	Flexibility defined in the MPGs	Reflection within common reporting format, biennial transparency report or national inventory document
<b>Para 85</b>	<b>Policies and measures – estimates of emission reductions</b>	<p>Possibility for flexibility related to the reporting of estimates of expected and achieved GHG emission reductions for its actions, policies and measures.</p> <p><i>Each Party shall provide, to the extent possible, estimates of expected and achieved GHG emission reductions for its actions, policies and measures in the tabular format referred to in paragraph 82 above; <b>those developing country Parties that need flexibility in the light of their capacities with respect to this provision are instead encouraged to report this information.</b></i></p>	<p>This flexibility can be implemented either through the use of an existing notation key (i.e. NE) or by implementing a new notation key, e.g. NR in the respective column in the CTF table.</p>
Para 92	<b>Projections – overall flexibility</b>	<p>Flexibility for those developing country Parties that need it in the light of their capacities related to whether to report emission projections at all.</p> <p><i>Each Party shall report projections pursuant to paragraphs 93–101 below; <b>those developing country Parties that need flexibility in the light of their capacities are instead encouraged to report these projections.</b></i></p>	<p>If the flexibility is applied, tables could be submitted using appropriate notation keys and further explanation be provided in the BTR.</p>

<p><b>Para 95</b></p>	<p><b>Projections – extent of the time series</b></p>	<p>Possibility for flexibility related to the extent of the projection time series, where an end date corresponding to the end point of their NDC under Article 4 of the Paris Agreement can be used, rather than 15 years beyond the next year ending in zero or five.</p> <p><i>Projections shall begin from the most recent year in the Party's national inventory report and extend at least 15 years beyond the next year ending in zero or five; <b>those developing country Parties that need flexibility in the light of their capacities with respect to this provision have the flexibility to instead extend their projections at least to the end point of their NDC under Article 4 of the Paris Agreement.</b></i></p>	<p>The EU is of the view that if this flexibility applied, an existing notation key (i.e. NE) or a new notation key, e.g. NR should be used for years which are not reported.</p>
<p><b>Para 102</b></p>	<p><b>Projections – less detailed methodology or coverage</b></p>	<p>Possibility for flexibility related to the less detailed methodologies and/or coverage of a Party's projections.</p> <p><b><i>Those developing country Parties that need flexibility in the light of their capacities with respect to paragraphs 93–101 above can instead report using a less detailed methodology or coverage.</i></b></p>	<p>If Parties apply less detailed methodologies, then an explanation should be included in the BTR. If Parties apply less detailed coverage (e.g. some subsectors are not covered), an existing notation key (i.e. NE) or a new notation key, e.g. NR should be reported in the common reporting tables.</p>