



NEW ZEALAND

Submission to SBSTA on matters related to the transparency framework under the Paris Agreement November 2019

Context

1. The conclusions of SBSTA 50 invite Parties to submit their views on the matters related to the fulfilment of the mandate referred to in paragraph 12 of decision 18/CMA.1, including on:

- (a) Experience with using the IPCC 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 tables for tracking progress in implementing and achieving 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.

2. This submission responds to all four areas listed above, building on the context provided in the co-facilitators' notes referenced in paragraph 116 of the report of SBSTA 50 (FCCC/SBSTA/2019/2 refers).

Experience with using the IPCC 2006 guidelines, CRF, transition to 2006 guidelines

3. New Zealand started using the 2006 guidelines for the annual greenhouse gas inventory submission submitted in April 2015 (covering the time series 1990 to 2013).

4. The decision that adopted the revised UNFCCC reporting guidelines for greenhouse gas inventories from Annex I Parties (decision 24/CP.19) made it mandatory to use the methodologies in the IPCC 2006 guidelines from the inventory year 2013 onwards. It is important to note that the revised UNFCCC reporting guidelines for greenhouse gas inventories retained the sectoral structure of the previous UNFCCC reporting guidelines, notably keeping agriculture and LULUCF as distinct sectors rather than collapsing into a single sector (AFOLU).

5. The key take-away from this experience is that while the **methodologies** to be used are those contained in the **2006 guidelines**, the **reporting format was prescribed by the UNFCCC** reporting guidelines. The UNFCCC decided that it was more important to retain the reporting format that Parties had been using to date, than to collapse agriculture and LULUCF into a single the AFOLU sector adopted by the IPCC in the 2006 (methodological) guidelines. This is completely analogous with the current situation. The CMP has decided¹ that Parties **shall use the methods in the 2006 guidelines**, with SBSTA given the responsibility to develop the necessary common reporting tables and formats to enable Parties to provide the information requested by decision 18/CMA.1 in a way that promotes transparency, accuracy, completeness, consistency and comparability, and that facilitates improved reporting and transparency over time.

6. We note that the IPCC did not change its fundamental approach to estimating greenhouse gas emissions and removals when it developed the IPCC 2006 guidelines – activity data multiplied by an emissions factor remains as the primary IPCC method. Regardless of whether it is the Revised 1996 guidelines or the IPCC 2006 guidelines that a country is using, activity data is the starting point for estimating greenhouse gas emissions and removals. We further note that materials developed at the time that the UNFCCC guidelines were being revised, providing a mapping between the 2006 guidelines pertaining to AFOLU and the agriculture and LULUCF sectors was very helpful in clarifying in which sector emissions were to be reported as for a few categories there was a change from the 1996 to the 2006 guidelines.

7. The 2006 guidelines offer Parties access to methodologies for sources that are not included in the Revised 1996 guidelines (e.g. waste sector and IPPU) as well as revised emissions factors e.g. in the energy sector. The inclusion of these new methodologies and application of revised emissions factors provide an opportunity for countries to develop more complete and more accurate greenhouse gas inventories over time.

8. The first greenhouse gas inventory prepared by New Zealand using the IPCC 2006 guidelines necessitated the use of notation keys, particularly for small sources of emissions. We also did not update all emissions factors in line with the IPCC 2006 guidelines, as many of these revised emissions factors were only slightly changed. In the report of the review of New Zealand's 2015 greenhouse gas inventory submission, the expert review team was very helpful in addressing the notation key issue, as well as bringing to our attention the necessity to update emissions factors even when this made only a small difference to total emissions. Following up on the recommendations from the review of the 2013 inventory resulted in improved use of notation keys and use of updated emissions factors in the next inventory, noting that there were still areas of transparency to be improved.

9. New Zealand's experience with the transition to the IPCC 2006 guidelines can be summarised as follows:

- Initially we made an increased use/incorrect use of notation keys

¹ Paragraph 21 of the Annex to decision 18/CMA.1

- We didn't fully update all emissions factors in the first report that applied the methodologies from IPCC 2006 guidelines
- Feedback and recommendations from the expert review process was a critical part of the transition to the 2006 guidelines.

Common tabular format tables for tracking progress in implementing and achieving nationally determined contributions

10. SBSTA has been given the responsibility to develop common tabular formats for each Party to report the information necessary to track progress made in implementing and achieving its NDC under Article 4 of the Paris Agreement, and that such tabular formats should accommodate all types of NDCs under Article 4, as appropriate. We also note that in addition to the common tabular formats, Parties can provide information in narrative form. New Zealand is of the view that this ability to also provide information in narrative form is an important consideration in the design of the common tabular format(s). Some information is much better suited to being provided in narrative form, and transparency can often be enhanced if narrative is used to supplement information that is provided in a tabular format. The tables should also be designed to allow the use of notation keys when the information being sought is 'not applicable' in the context of a particular Party's NDC.

11. In designing the common tabular format(s) for tracking progress in implementing and achieving NDCs, paragraphs 65 to 78 in Chapter III, Section C provide the starting points for the columns and rows. Drop down menus should be part of the design of the tables to facilitate the provision of information, together with a "free text" option to enable Parties to provide unique information given the range of NDCs. While not mandated in decision 18/CMA.1, also using a tabular format to provide the information requested in paragraph 64 of the Annex (description of the NDC) could facilitate the provision of this information, particularly through the use drop down menus together with a "free text" option to enable Parties to provide unique information in any cell. To the extent it is possible, if the same information is requested in more than one table, the tables should be designed to automatically populate cells as appropriate.

12. It makes sense to break up the information requirements into more than one table as follows:

- Information on indicators (paragraphs 65 to 70)
- Information on methodologies and accounting approaches (paragraphs 74 and 75)
- Structured summary (paragraph 77)

New Zealand notes that just prior to/during SBSTA 50 other Parties submitted drafts of what these tables might look like (e.g. EU and US). New Zealand is supportive of the general format/content of these drafts, and note that these submissions (and others that will come from the current round of submissions) provide material that the secretariat could be asked to synthesise to produce a useful starting point for detailed, technical discussion on the design of these common tabular formats, including the structured summary.

13. New Zealand's view is that the structured summary must include paragraphs 77(d)(i) to (iv) to enable those Parties that voluntarily participate in cooperative approaches to have a

place to provide the relevant information, as the provision of this information is mandatory. The wording of paragraph 77(d) states that “each Party that participates in cooperative approaches.....**shall** also provide the following information in the structured summary”. We also recognise that decisions adopted by the CMA in relation to Article 6 will likely supplement/complement the information that is already asked for in paragraph 77(d)(i) to (iv), and note that this is provided for in paragraph 77(d)(iii). If there are no relevant decisions adopted by the CMA on reporting under Article 6, we suggest that the row for 77(d)(iii) in the table would/could be filled using the notation key NA (not applicable).

14. Important components of the information necessary to track progress made in implementing and achieving nationally determined contributions under Article 4 of the Paris Agreement are covered by Chapter III, Sections D, E and F, namely mitigation policies and measures, summary of greenhouse gas emissions and removals, and projections of greenhouse gas emissions and removals. There was discussion at SBSTA 50 on tabular formats that would support the reporting of this information and New Zealand welcomes the proposals in the co-facilitators’ informal note in this regard.

Tables for reporting on support needed and received, and support mobilized

General points

15. Under the enhanced transparency framework, developing countries will report for the first time on financial, technology and capacity building support needed and received. The starting point for this guidance should be the agreed guidance as contained in section IV of the transparency MPGs. Design of the common tabular formats for the reporting of information on financial, technology development and transfer and capacity building support needed and received should use the elements described in 18/CMA.1 paragraphs 133, 134, 136, 138, 140, 142, 144 as the starting point for each of the tables. CTFs should be designed so that non-inclusion of information that is not applicable or available (where relevant) does not appear to be a deficiency in a Party’s reporting.

16. Reporting on support needed and received is not obligatory for developing countries. New Zealand’s view is that in developing CTFs we should ensure these are not burdensome and should focus on improving transparency, clarity, comparability and an overall understanding of information sources and methodologies used.

17. New Zealand is also of the view that the ability to, in addition, provide information in narrative form is an important consideration in the design of the common tabular format(s) for reporting on support needed and received. Some information is much better suited to being provided in narrative form, and transparency can often be enhanced if narrative is used to supplement information that is provided in a tabular format.

18. The design of the CTFs needs to recognise that countries will not necessarily have complete information, and thus the CTFs should enable countries to report as much as they can and with the aim of improving the clarity and comparability of reporting over time. To support learning and ongoing improvement it will be useful for countries to describe in their reports the challenges they have in completing tables and offer ideas for improvements.

Reporting on support needed:

19. The note provided by co-facilitators is a useful starting point for considering the CTFs for reporting support needed. However, the CTFs assume a significant degree of specific information is or will be available (costed projects, specific technology and capacity needs identified). We consider the ability to provide this level of detail the “gold standard” but it might not be achievable initially.

20. To ensure reporting on support needed facilitates transparency, comparability and clarity, it is New Zealand’s view that the following issues need to be considered and built into CTFs and/or narrative reporting:

- Making provision for inclusion of definitions and methodologies used in determining the levels and details of financial, technology transfer and development, and capacity building support required
- Making provision – as indicated in the co-facilitators’ note – for description of the sources of information (for example national plans, sector strategies, NDCs, TNAs, Adaptation Plans). Where possible, and to avoid duplication and undue burden, information on support needed could usefully draw on these plans
- The financial, technology and capacity building support needed might not always be linked to a specifically defined project or programme. “Free text” and options for narrative reporting should be available in this instance.

Information on support received

21. To enhance transparency, comparability and clarity, the following issues should be considered and built into CTFs or via narrative reporting:

- Avoidance of double counting particularly vis-a-vis bilateral versus regional/multilateral support provided. Transparency of data sources will be important
- Description of the methodology used to differentiate between climate elements of support received from general development assistance. Since there is no internationally agreed definition of climate finance, reports should describe methodology used/rationale for including in the report (in narrative form)
- Data sources for capacity building and technology support received. Much of this support is embedded in other activities. There could be a cross-reference to the finance received table

Tables for reporting on support mobilised

22. Information on support mobilised through public interventions is to be provided in textual and/or tabular format.

23. Identifying reporting elements in tabular format will help consistency in reporting. But CTFs should be designed so that non-inclusion of information that is not applicable or available (where relevant) does not appear to be a deficiency in a Party’s reporting.

24. Reporting should focus on improving transparency, clarity, comparability and an overall understanding of information sources and methodologies used. Narrative reporting will be important in support of tabular reporting particularly to describe:

- definitions of “mobilised” finance
- methodology used to account for finance mobilised through multilateral initiatives/organisations
- how double counting has been avoided.

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.

25. New Zealand’s view is that the tabular formats for reporting information required under Article 13 are common (except for those tables that relate to the provision of information on support). Thus the format of the tables for greenhouse gas inventories and the structured summary are the same regardless of whether a country is developed or developing and regardless of whether or not a developing country Party is making use of any of the specific flexibility provisions in 18/CMA.1.

26. In reporting their greenhouse gas inventories countries have become familiar with the use of various notation keys for use in place of numerical data in a range of situations, such use accompanied by providing explanatory information in documentation boxes included in the CRF and/or in the NIR. New Zealand supports the introduction of a new notation key that to be used by a developing country Party when it uses any of the specific flexibility provisions in 18/CMA.1. Our view is that this would be a straightforward and transparent way to operationalise the use of these flexibility provisions.

27. New Zealand does not support providing Parties with the option to delete entire tables or to delete columns/rows from any of the tables in the CRF. This would disrupt the integrity of the reporting tables and would not be transparent. If only a subset of the tables were used it could also make it less obvious to the Party concerned that over time more information could be reported in line with the fundamental principle of continuous improvement over time as expressed in 18/CMA.1 and as embodied in the IPCC 2006 guidelines.

28. In addition, while not mandated as part of SBSTA’s work on this matter, countries may find it useful to include in their NID a summary table of where the specific flexibility provisions have been applied. This would provide additional transparency, and clarity to the technical expert review team thus facilitating the review process, and also provide a means by which the country concerned could respond to section I.D. of the annex to 18/CMA.1 (Facilitating improved reporting and transparency over time). Such a table was proposed in the CCXG paper: *Reporting Tables – potential areas of work under SBSTA and options, Part I - GHG inventories and tracking progress towards NDCs*.² For ease of reference we have reproduced this table in Annex A to this submission.

² OECD (2019), “Reporting Tables – potential areas of work under SBSTA and options, Part I - GHG inventories and tracking progress towards NDCs”. *OECD/IEA Climate Change Expert Group Papers*, No.2019/1.
<https://www.oecd.org/env/cc/Reporting-tables-potential-areas-of-work-under-SBSTA-and-options-Part-I.pdf>

29. One issue raised by developing countries during the negotiation of the MPGs and during SBSTA 50 was concern that in conducting the technical expert review, the reviewers would need to understand where the Party had applied any of the flexibility provisions. The reviewers would also need to distinguish this from standard uses of notation keys, for example, where emissions or removals are reported as “NE” for reasons other than the application of the flexibility provisions. New Zealand’s preferred approach would be to introduce a new notation key to indicate where any of the flexibility provisions have been applied, together with the use of documentation boxes in the CRF tables. If this were combined with a summary table on the overall application of the flexibility provisions, the technical expert review process would be further facilitated.

Other issues

30. SBSTA also needs to make rapid progress on the other aspects of its work to operationalise the enhanced transparency framework, namely the outlines of the biennial transparency report, national inventory document and technical expert review report, together with the training programme for technical experts participating in the technical expert review. The latter is particularly important given that it will take some time for the training programme to be designed and then for experts to undergo the training and to sit and pass any necessary examinations.

31. New Zealand reiterates its view that the integrity of the technical expert review system under the Paris Agreement rests upon having well trained technical experts that are able to demonstrate their proficiency through on-line (or other) testing. Parties need to feel confident that reviewers are qualified to do the task, particularly regarding the in-depth review of greenhouse gas inventories, which is a highly specialised task. New Zealand is of the view that the secretariat is best placed to design and administer the training programme given its experience to date in administering reviewer training, as well as coordinating the review processes for national greenhouse gas inventory reports, biennial reports and national communications. In designing the training programme, input could be sought from the CGE and the lead reviewers group.

Conclusion

32. New Zealand looks forward to making further progress on all the above areas during SBSTA 51 as we are very conscious that time is short to complete the technical design of the mandated common reporting tables and common tabular formats for the electronic reporting of information as described in decision 18/CMA.1.

Annex A

Option for reporting on information on flexibility use in tabular format, for developing country Parties that need it in the light of their capacities (source: OECD 2019)

	Provision	Is flexibility in reporting applied?	If so, how?	Concise clarification of capacity constraints ^g	Time frame for improvement ^g
Flexibility used in the preparation or provision of National inventory data	Key category Analysis (Annex MPGs II Para 25) ^a				
	Uncertainty assessment (Annex MPGs II para 29) ^b				
	Assessment of completeness (Annex MPGs II para 32) ^c				
	Quality assurance/quality control (Annex MPGs II para 34) ^d				
	Reported greenhouse gases (Annex MPGs II para 48) ^e				
	Time series (Annex MPGs II paras 57 & 58) ^f				

Notes

^a Flexibility available to identify key categories using a threshold no lower than 85%, in place of the 95% threshold defined in the 2006 IPCC guidelines.

^b Flexibility available to provide, at a minimum, a qualitative discussion of uncertainty for key categories

^c Flexibility available to use notation key "NE" for a category if its level of emissions is likely below 0.1% of national total and 1000 ktCO₂eq, whichever is lower

^d Developing country Parties using flexibility are encouraged to elaborate an inventory QA/QC plan in accordance with the 2006 IPCC guidelines, and to implement and provide information on general inventory QC procedures

^e Flexibility to report at least three gases (CO₂, CH₄ and N₂O) as well 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 PA, are covered by an activity under Article 6 of the PA, or have been previously reported

^f Flexibility to instead 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; latest reporting year three years prior to the submission of their NID

^g Parties shall concisely clarify capacity constraints and provide self-determined estimated time frames for improvements in relation to those capacity constraints in their Biennial Transparency Reports