

Argentina, Brazil and Uruguay submission on: Matters relating to methodological issues under the Paris Agreement (Transparency)

In response to “SBSTA plan for 2021: Initial set of informal activities by the SBSTA Chair - Version of 18 March 2021”; **Argentina, Brazil and Uruguay (ABU)** welcome the opportunity to present their views on:

- The common reporting tables for the electronic reporting of the information in the national inventory reports, including examples and options for the formats and contents of tables, in particular background and sector tables, and options for implementation of flexibility;
- The structured summary, including examples to demonstrate how the proposed format could encompass different types of indicators (both quantitative and qualitative) and facilitate tracking of progress; and
- The common tabular formats on financial, technology development and transfer and capacity-building support, including examples and options for the summary tables, the structure and content of the tables, and how to improve comparability and ensure consistency across specific tables.

ABU reserve the right of making additional future submissions on topics not covered by the present submission, including details on CRTs; “structured summary”; CTFs; national inventory report (NIR)/national inventory document (NID) outline; technical expert review report (TERR) outline and the training programme for technical experts participating in the technical expert review (TER).

ABU would like to bring to the attention of the SBSTA Chair and other Parties that due to the **challenges and restrictions imposed by COVID 19 pandemic**, consultations and discussions among ABU members and other interested Parties, in particular within the G77/China Group, have been extremely jeopardized.

In light of the current situation, the indicative activities and deadlines suggested by the SBSTA Chair (i.e. “submissions via the submission portal, by 7 April 2021” and the “Informal technical workshop, from 10 – 12 May 2021” (to be carried virtually)) should be considered with extreme careful and respectful of the limitations faced by all Parties. Finally, taking into consideration that the level of participation and discussions may be very limited, any outcome of such activities is to be considered **“food for thought” and not “negotiation outcomes”**.

ABU reiterates the **“main principles to guide SBSTA work program”**, presented in our submission of June, 2019¹:

¹ Available at: https://www4.unfccc.int/sites/SubmissionsStaging/Documents/201906131654---20190613%20ABU_Submission_SBSTA50%20V3.pdf

- I. **Parties shall work to consolidate and implement the reporting and review requirements agreed to in COP 24.** The modalities, procedures and guidelines (MPGs) pursuant to Article 13 paragraph 13 of the Paris Agreement (PA), adopted by Decision 18/CMA.1, **have established all reporting and review requirements related to the BTRs under the enhanced transparency framework (ETF)**. Any proposal that could lead to the “introduction” of additional reporting and/or review requirements (e.g. “types of relevant indicators per type of NDC” and “assessment/approval of it’s relevance”) risks reopening the Katowice accords and would not be acceptable.
- II. **Parties shall fully respect and support the implementation of the “flexibility provisions” of the ETF MPGs**, in particular paragraphs 6² and 149(e)³ of the Annex to Decision 18/CMA.1. The CRTs, CTFs and outlines must clearly “create the necessary space” for developing country Parties to “concisely 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”. In addition, the TER training programme shall clearly explain the role (and limitations) of the TER team in treating the “flexibility information” provided by developing countries.
- III. **Parties should pay particular attention to the interlinkages between the ETF MPGs and other decisions of the Katowice climate package.** The MPGs have not been decided in isolation and are part of a package of decisions that have also determined how certain types of information will be reported by Parties, in particular:
 - a. **Decision 4/CMA.1** - Further guidance in relation to the mitigation section of decision 1/CP.21, in particular:
 - i. Annex I: **Information to facilitate clarity, transparency and understanding** of nationally determined contributions, referred to in decision 1/CP.21, paragraph 28; and
 - ii. Annex II: **Accounting for Parties’ nationally determined contributions**, referred to in decision 1/CP.21, paragraph 31.
 - b. **Decision 8/CMA.1** - Matters relating to Article 6 of the Paris Agreement and paragraphs 36–40 of decision 1/CP.21:

² “The **application of a flexibility** provided for in the provisions of these MPGs for those developing country Parties that need it in the light of their capacities **is to be self-determined**. The developing country Party shall clearly indicate the provision to which flexibility is applied, concisely 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. When a developing country Party applies flexibility provided for in these MPGs, the technical expert review teams **shall not review** the Party’s determination to apply such flexibility or whether the Party possesses the capacity to implement that specific provision without flexibility”.

³ “Technical expert review teams shall not: ... (e) For those developing country Parties that need flexibility in the light of their capacities, review the Party’s determination to apply flexibility that has been provided for in these MPGs, including the self-determined estimated time frames referred to in paragraph 6 above, or whether a developing country Party possesses the capacity to implement that specific provision without flexibility”.

- i. In regard to this specific decision, SBSTA will continue consideration of the mandates with a view to forwarding a draft decision for consideration and adoption by CMA in Glasgow (November 2021).
 - c. **Decision 9/CMA.1** - Further guidance in relation to the adaptation communication, including, inter alia, as a component of nationally determined contributions, referred to in Article 7, paragraphs 10 and 11, of the Paris Agreement;
 - ii. In regard to this specific decision, is important to highlight that the Adaptation Committee will “develop, with the engagement of the Intergovernmental Panel on Climate Change Working Group II, using relevant existing guidance as a starting point, as appropriate, by June 2022, draft supplementary guidance for voluntary use by Parties in communicating information in accordance with the elements contained in the annex, for consideration by the subsidiary bodies at their fifty-seventh sessions (November 2022) in the context of their consideration of the report of the Adaptation Committee”.
 - d. **Decision 12/CMA.1** - Identification of the information to be provided by Parties in accordance with Article 9, paragraph 5, of the Paris Agreement.
- IV. **Parties should aim to ensure that the BTR outline, including it’s CRFs and CTFs, allows for a “balanced report” of all information required and/or elected to be reported by a Party:** it is critical that the BTR outline and it’s tables are not “concentrated” in only one type of information to be reported. Particular attention should be paid to all information covered by the “shall requirements”: “information necessary to track-progress” and “support provided and mobilized”. In regard to information on “support provided”, reporting should represent an improvement on the current practice of developed countries through the Biennial Reports.
- V. **Parties should aim to maximize the use of CTFs:** even recognizing that not all types of information can be best presented in a tabular format, SBSTA should aim to elaborate as much as possible CTFs in order to facilitate not only the presentation of concise information, but also the potential systematization and use of the information by the global stocktake (GST).

Finally, is important to recall that according to paragraph 98 of Decision 1/CP.21 the “modalities, procedures and guidelines of the transparency framework shall ... eventually supersede” the current measurement, reporting and verification system “**immediately following the submission of the final biennial reports and biennial update reports**”.

For developed country Parties the last BR are expected to be presented in 2022; and for developing country Parties the last BUR will be presented in different years, depending on the year when the first BUR was submitted and the timeline that the Party has established in light of the support received and/or to be received for presenting its national communication and BURs. In any case, the first biennial transparency report (BTR) shall be submitted at the latest by 31 December 2024.

In order to allow sufficient time for the transition from the current MRV system to the enhanced transparency framework under the Paris Agreement, SBSTA agenda item on “Matters relating to methodological issues under the Paris Agreement (Transparency)” need to be concluded in 2021. Only after its conclusion, developing country Parties, the Global Environment Facility (GEF) and its implementing and executing agencies will have assurance about the BTR outline and accompanying tables; and they can plan and implement concrete and specific actions required for an effective and efficient transition.

Common reporting tables (CRT) for the electronic reporting of the information in the NIR/NID

CRT for the electronic reporting of the information related to the NIR/NID should be developed considering 2 main steps: “input of information” and “output of the information”.

For the “**input of information**”, CRT should have all the necessary “cells”/“tables” for inclusion of all information agreed to be presented as part of the NIR/NID (as determined by section II of Annex to Decision 18/CMA.1 and/or required as consequence of the application of the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (hereinafter referred to as the 2006 IPCC Guidelines)).

Assuming that the CRT will be presented to Parties, as a “software” and/or web-based application (similar to the CRF Reporter GHG inventory software used nowadays by Annex I Parties), Parties will not have the possibility to “change” the structure of the CRT by “deleting cells/tables”.

However, as part of the “input of information”, the CRT should include an option for developing country Parties that need, in the light of their capacities, to apply the “flexibility provisions” and to “clearly indicate the provision to which flexibility is applied, concisely clarify capacity constraints, noting that some constraints may be relevant to several provisions...”⁴. Once a developing country Party indicates the application of the “flexibility provisions” the “software” and/or web-based application should automatically “mark” the corresponding “cells”/“tables” where the information is not required in light of the “flexibility provision” applied and generate automatically a “**flexibility summary table**” based on the indications/explanations provided within “documentation boxes” in the respective tables where the flexibility provision have been applied.

For example, if a developing country Party indicate the need to apply the “flexibility provision” related to “uncertainty assessment” and decide to “provide, at a minimum, a qualitative discussion of uncertainty for key categories”⁵ in the NIR/NID instead of “quantitatively estimate” the uncertainties using the IPCC guidelines; the corresponding “cells”/“tables” for uncertainty should be automatically “marked”, so the Party don’t need to include any information in corresponding “cells”/“tables”. The

⁴ Paragraph 6 of Annex to Decision 18/CMA.1

⁵ Paragraph 29 of Annex to Decision 18/CMA.1

“mark” could be a “notation key” combined with “documentation boxes”, and/or “shadows”.

With such approach **all Parties will have access to a “common CRT”** with an agreed structure that can’t be changed by the users; but at the same time gives the possibility to developing country Parties to “clearly indicate the provision to which flexibility is applied”.

For the “**output of information**”, the CRT should include the possibility for developing country Parties to choose the “output format” of the tables for which “flexibility provisions” have been applied. A developing country Party may choose to “export” the tables with the “notation keys”/“documentation boxes” related to “flexibility provisions” applied or choose to “export” tables where only “quantitative information” has been presented. In any case, Parties will have to export the “flexibility summary table” that includes the information that “clearly indicate the provision to which flexibility is applied”. Tables exported, together with the NIR/NID, will form the Party submission related to the “National inventory report of anthropogenic emissions by sources and removals by sinks of greenhouse gases”. As part of the technical expert review (TER), the technical expert review teams should start by accessing/reviewing, together with the NIR/NID, the “flexibility summary table” and the “tables exported” by the Party, and if necessary, can consult the CRT database with the assistance of the UNFCCC Secretariat.

Structured summary

Due to the different types of NDC, the fact that Parties are free to “identify the indicator(s) that it has selected to track progress towards the implementation and achievement of its NDC” and the fact that indicators “may be either qualitative or quantitative”; is very unlikely that one single “structure summary” table could be developed to best use of Parties. Therefore, Parties should have the flexibility to “**use different formats**” for the structured summary, as agreed in paragraph 79 of Annex of Decision 18/CMA.1⁶. Different “formats” are to be agreed as part of SBSTA work program.

In addition, Parties may identify different indicator(s) for “track progress towards the implementation” and for “implementation”. The following tables present examples for such a case. Is important to highlight that the tables are only examples; and Parties will indicate through the information/explanations presented about the indicators in the first biennial transparency reports (BTR), what “formats” are the most appropriated and will be used through the BTR.

If a Party decide to participate in “**cooperative approaches** that involve the use of internationally transferred mitigation outcomes towards NDC” (Article 6, paragraph 2

⁶ Each Party shall report the information referred to in paragraphs 65–78 above **in a narrative and common tabular format, as applicable**. Such common tabular formats should accommodate all types of NDC under Article 4, **as appropriate**.

of the Paris Agreement); **additional layers of information** shall be included in the “structure summary” chosen.

The specific information to be presented in such “layers” are to be discussed and decided by SBSTA/CMA through agenda item “**Matters relating to Article 6 of the Paris Agreement**”, building upon agreed information requested by paragraph 77(d) of Annex to Decision 18/CMA.1. Once this agenda item is concluded, SBSTA can “take on board” the relevant additional reporting requirements related to “cooperative approaches” and “corresponding adjustments”.

Table 1 - Example of the “structured summary” for presenting information about one indicator “to track progress towards the implementation” and other indicator “to track progress towards the achievement”, as requested by paragraph 65

Indicator	Description	How is it related to its NDC under Article 4? And/or consistent with information presented as part of the NDC (according to Annex I of Decision 4/CMA.1)	“Value” to be reported	When to report information
<p>To track progress towards the <u>implementation</u></p>	<p>Information on mitigation policies and measures, actions and plans, including those with mitigation co-benefits resulting from adaptation actions and economic diversification plans, related to implementing the NDC</p>	<p>NDC is economy wide and based on flexible pathways to achieve the mitigation contribution. In its 1st BTR all PAMs related to the NDC shall be described. Once implemented, PAMs will contribute to the achievement of the NDC mitigation contribution.</p> <p>Therefore, to track progress towards NDC implementation is necessary to track progress towards PAMs implementation.</p>	<p>Information presented in tabular format; according to the reporting requirements of Section III.D of annex of Decision 18/CMA.1</p>	<p>In each BTR submitted during the complete NDC timeframe (e.g. 2020 – 2025)</p>
<p>To track progress towards the <u>achievement</u></p>	<p>Total anthropogenic emissions by sources and removals by sinks of GHG reported in the national GHG inventory</p>	<p>Since the NDC mitigation contribution is an “economy wide with an absolute target in relation to a base year”; anthropogenic emissions by sources and removals by sinks of GHG reported in the national GHG inventory are required for the <u>base year and the single-year target</u></p> <p>Since the NDC has not presented an “emission trajectory” contribution; <u>there is no need to present GHG national totals during the implementation years</u></p>	<p>Base year value (e.g. 2005): X GtCO_{2e} (GWP-100; IPCC AR5)* Single-year target value (e.g. 2030): Y GtCO_{2e} (GWP-100; IPCC AR5)*</p> <p>* To be estimated according to the reporting requirements of Section II of annex of Decision 18/CMA.1</p>	<p>Base year value: 1st BTR of the NDC timeframe (e.g. 2020) Single-year target value: 1st BTR that contains information on the end year of the NDC (e.g. 2032 or 2033)</p>

Table 1 - Example of a “structured summary” for the “implementation indicator” to be presented in each BTR (e.g. 2020 – 2030)

Indicator	Information for the reference point(s), level(s), baseline(s), base year(s), or starting point(s) ^{a (i)}	Information for previous reporting years during the implementation period of its NDC ^{a (ii)}				Most recent information identified ^{a (iii)}	Where applicable, information on GHG emissions and removals consistent with the coverage of its NDC ^b	Contribution from the LULUCF ^c
		2021	2022	2023	2024	2025		
PAMs information	Increasing the share of sustainable biofuels in the energy mix to approximately XX% by 2030 ...	Biodiesel production: XXX m ³ (2005) Ethanol production: XXX m ³ (2005)	Values to be reported, in respective years, according to the National Energy Balance and/or any other official source indicated by the Party				Not applicable	Not applicable
	<i>Other PAMs listed in the 1st BTR ...</i>							

OBS: a (i); a (ii); a (iii), b and c refer to Paragraph 77 of Annex of Decision 18/CMA.1

Table 2 - Examples of a “structured summary” for different types of “achievement indicator” to be presented in the 1st BTR that contains information on the end year of the NDC (e.g. 2032 or 2033)

Indicator	Information for the reference point(s), level(s), baseline(s), base year(s), or starting point(s) ^{a (i)}	Information for previous reporting years during the implementation period of its NDC ^{a (ii)}				Most recent information identified ^{a (iii)}	Where applicable, information on GHG emissions and removals consistent with the coverage of its NDC ^b	Contribution from the LULUCF ^c
		2021	2022	2023	2024	2030		
Total anthropogenic emissions by sources and removals by sinks of GHG reported in the national GHG inventory	XXX GtCO _{2e} (2005)	Not applicable – since the NDC has not presented an “emission trajectory” contribution				XXX GtCO _{2e} (2030)	100% of the territory, economy-wide, including: CO ₂ , CH ₄ , N ₂ O, perfluorocarbons, hydrofluorocarbons and SF ₆	Included in the reported values: XXX GtCO _{2e} (XXX%) in 2005 XXX GtCO _{2e} (XXX) in 2030
Economy wide CO₂ emissions intensity (total CO₂ anthropogenic emissions by sources reported in the national GHG inventory (excluding LULUCF) / GDP)	YYY GgCO ₂ / GDP in local currency (1990)	Not applicable – since the NDC has not presented an “emission trajectory” contribution				ZZZ GgCO ₂ / GDP in local currency (2030)	100% of the territory, economy-wide, including CO ₂ emissions from all sector (excluding LULUCF)	Emission and removals from LULUCF are not considered

Indicator	Information for the reference point(s), level(s), baseline(s), base year(s), or starting point(s) ^{a (i)}	Information for previous reporting years during the implementation period of its NDC ^{a (ii)}				Most recent information identified ^{a (iii)}	Where applicable, information on GHG emissions and removals consistent with the coverage of its NDC ^b	Contribution from the LULUCF ^c
		2021	2022	2023	2024			
Native forest surface maintaining carbon stocks in living biomass	YYY hectares of native forest (2012)	Not applicable – since the NDC has not presented an “area trajectory” contribution				ZZZ hectares of native forest (2030)	Not applicable	Not applicable

OBS: a (i); a (ii); a (iii), b and c refer to Paragraph 77 of Annex of Decision 18/CMA.1

Table 4 - Example of the “structured summary” for presenting information about one single indicator “to track progress towards implementation and achievement”, as requested by paragraph 65

Indicator	Description	How is it related to its NDC under Article 4? And/or consistent with information presented as part of the NDC (according to Annex I of Decision 4/CMA.1)	“Value” to be reported	When to report information
<p>To track progress towards implementation and achievement</p>	<p>Single target year annual net emissions reported in the National GHG Inventory of the Party</p>	<p>Since the NDC mitigation contribution is an absolute economy-wide target not to exceed a net emission goal applicable to all sectors reported in the last NIR, anthropogenic emissions by sources and removals by sinks of GHG reported in the national GHG inventory are required for the <u>single-year target</u>.</p>	<p>20XX: X MtCO_{2e}</p> <p>* To be estimated according to the reporting requirements of Section II of annex of Decision 18/CMA.1 and including the corresponding adjustments to guarantee consistency and comparability with the latest NDC.</p>	<p>Each BTR and first BTR to be presented after the completeness of NDC implementation period (e.g. 20XX-2 or 20XX-3)</p>

Table 5 - Example of a “structured summary” for the “implementation indicator” to be presented in each BTR (e.g. 2020 – 2030), and for the “achievement indicator” to be presented in the 1st BTR that contains information on the end year of the NDC (e.g. 2032 or 2033), as requested by paragraphs 66-77

Indicator	Information for the reference point(s), level(s), baseline(s), base year(s), or starting point(s) ^{a (i)}	Information for previous reporting years during the implementation period of its NDC ^{a (ii)}				Most recent information identified ^{a (iii)}	Where applicable, information on GHG emissions and removals consistent with the coverage of its NDC ^b	Contribution from the LULUCF ^c
		2021	2022	2023	2024 (...)	2030		
Annual net emissions of GHG reported in the national GHG inventory	Not applicable - Since the NDC absolute economy-wide target, and it does not include a reference indicator.	Values to be reported, in respective years including the corresponding adjustments to guarantee consistency and comparability with the latest NDC, in subsequent BTRs. X MtCO ₂ e (xxxx)				XXX MtCO ₂ e (20XX)	The NDC has an economy-wide target which covers the whole national territory, considering all the categories of emission sources and sinks reported in the latest NIR presented to the UNFCCC and estimated following the 2006 IPCC Guidelines. It also includes emissions and removals of carbon dioxide (CO ₂), methane (CH ₄), nitrous oxide (N ₂ O), hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs).	Included in the reported values: XXX MtCO ₂ e (XXX %) in 20XX

OBS: a (i); a (ii); a (iii), b and c refer to Paragraph 77 of Annex of Decision 18/CMA.1

Common tabular formats on financial, technology development and transfer and capacity-building support

- A common understanding on “financial, technology development and transfer and capacity-building support” helps build trust and confidence between Parties and contributes to making progress on the climate change agenda, which is key for the implementation of the Paris Agreement.
- The multilateral climate change architecture for support must be fair, transparent, equitable, based on the principle of common but differentiated responsibilities, recognizing and ensuring predictability and availability of sufficient support to meet the needs and challenges identified by developing country Parties, both for mitigation, for adaptation and for the implementation of the article 13 as agreed in paragraph 7 in decision 18/CMA.1.
- In this regard, CTFs on financial, technology development and transfer and capacity-building support should provide a basis for transparency on the flow of funds provided and mobilized, as well as on financial, capacity building and technology needs of developing country Parties and support received.
- In doing so, it should take into account the flexibilities needed by those developing country Parties in the light of their capacities, since under the BURs the information required is less extensive and comprehensive.
- The CTFs 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 of the BTR shall follow the modalities, procedures, and guidelines (MPGs) contained in decision 18/CMA.1, without opening issues to renegotiation.
- Progress made in advancing draft tables at COP 25 provides a good basis for further technical discussions at COP 26.
- In particular:
 - Provision of information on underlying assumptions, definitions and methodologies used for reporting information can be done using documentation boxes.
 - It is important that CTFs allow for clear disaggregation of cross-cutting support into mitigation and adaptation proportions, if possible.
 - Information in relation to technology development and transfer and capacity-building should be cross-referenced in the corresponding financial tables (e.g.: tick-box) and in technology transfer and capacity building tables.

- There needs to be an appropriate consideration of the challenges faced by developing country Parties related to tables for reporting on support needed and received. Consequently, it will be important to build capacity in developing country Parties, to improve reporting capacity of these issues.