

**SUBMISSION BY GUATEMALA ON BEHALF OF THE AILAC GROUP OF COUNTRIES
COMPOSED BY CHILE, COLOMBIA, COSTA RICA, HONDURAS, GUATEMALA,
PANAMA, PARAGUAY AND PERU**

Subject: Item 5 Modalities, procedures and guidelines of the Transparency Framework on Action and Support pursuant Article 13 of the Paris Agreement

Reference: FCCC/APA/2016/L.4 paragraph 15.

Introductory Remarks

1. AILAC welcomes the opportunity to provide views in order to advance the work on the modalities, procedures and guidelines (MPGs) of the Enhanced Transparency Framework (ETF) pursuant Article 13 of the Paris Agreement, on the basis of the set of questions proposed by the co-facilitators of APA item 5.
2. This submission should be read in conjunction to prior AILAC submissions particularly the one presented in late September 2016, responding to the mandate by the APA co-chairs as stipulated in document FCCC/APA/2016/L.1 paragraph 8 c)¹ and the submission on modalities for the accounting of financial resources provided and mobilized through public interventions in accordance with Article 9, paragraph 7, of the Paris Agreement².

(a) What should be the specific components of the MPGs for the transparency of action and support under Article 13, paragraphs 7, 8, 9, 10, 11, and 12?

3. For AILAC, each of the main sections of the MPGs should respond to mandates received from Article 13 paragraphs 7, 8, 9, 10, 11 and 12 of the Paris Agreement. Based on this, AILAC presents a list of elements that could shape the structure of MPGs (see annex I of this document). Common ground on these elements is crucial to advance in the development of the ETF, bearing in mind that additional elements could be identified in the future to further enhance the transparency framework.
4. AILAC is of the view that the ETF should be understood as a dynamic framework that should be improved over time, taking into account the experiences from implementation of the Paris Agreement and NDCs. Thus, the year of the first and subsequent reviews of the ETF should be clearly defined by 2018.

(b) How should the transparency framework build on and enhance the transparency arrangements under the Convention, recognizing that the transparency arrangements under the Convention shall form part of the experience drawn upon for the development of the MPGs?

5. AILAC recognizes the importance of building on the arrangements of the current transparency system due to the large number of lessons learned and good practices observed in the implementation of the mandates for reporting and review processes under the Convention and the Kyoto Protocol.

¹ http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/233_281_131197485029118930-160930%20AILAC%20Submission%20Transparency%202016.pdf

² http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/233_257_131169672918096898-AILAC%20Submission%20Modalities%20Finance.docx

6. For instance, developing countries, which have been able to do so, have improved their capacities to report biennially on their national GHG inventories and even start to calculate consistent time series. In addition, thanks to the mandate received to report on NAMAs and other actions, many developing countries have begun to strengthen institutional capacities and arrangements to track formulation and implementation of single mitigation policies and measures. Still, under the ETF developing countries will need to gradually develop new capacities in order to assess progress against emission targets (rather than against single measures or actions).
7. Also, the experience gathered from tracking quantified emissions reduction targets by developed countries and voluntary emission reduction pledges by developing countries under the Kyoto Protocol and the Cancun Agreements, will be crucial for the identification of the necessary elements for an appropriate report of the progress made in the implementation of mitigation goals under NDCs.
8. However, the current reporting guidelines for developed and developing countries and the ICA and IAR processes were designed to meet different purposes. Under the Paris Agreement, all Parties have NDCs and common objectives. If all Parties wish to respond to these objectives, it is essential to generate common MPGs that consider the flexibility for developing countries that need it in light of their capacities in order to, over time, have robust reports and reviews that contribute to the evaluation of the implementation of action.
9. On the other hand, AILAC acknowledges the efforts done so far under the Convention to improve the reporting by developed countries of financial resources provided and mobilized through public interventions. We should build upon the experiences and lessons learned in implementing the Common Tabular Formats (CTFs) and enhance the elements and aspects of them that have not fulfilled the aim of such reports. Other experiences can also be drawn from the strategies and approaches for mobilizing climate finance presented so far by developed countries.
10. Based on these premises, AILAC presents its views on how to build on and enhance the current transparency framework for the development of the elements of the MPGs for the ETF, in annex II to this document.

(c) With respect to the MPGs, how should flexibility for those developing countries that need it in the light of their capacities be operationalized?

11. For AILAC, flexibility is an important provision for the ETF that should not be addressed in isolation. Flexibility for developing countries should be reflected appropriately in each of the elements of the MPGs of the ETF.
12. For example, on adaptation, AILAC is of the view that flexibility in terms of reporting of progress made implies developing country Parties should continue using the existing National Communications every four years. Moreover, according to decision 1/CP.21 paragraph 90, Parties will be able to report in a more frequent basis using the biennial update reports with the improvement of national capacities, the availability of more information and the enhancement of national monitoring and evaluation systems. In this sense, any guidance related to adaptation information on biennial update reports under the ETF must consider developing countries varying capacities.

13. Regarding the reporting of climate finance received, developing countries will need flexibility regarding the frequency in which they report information as they create and strengthen their domestic capacities to track, collect and analyze data in order to be able to report this information in order to ensure gradual improvements over time. Guidelines should build upon experience from the National Communications and the Biennial Update Reports.
14. In addition to these examples, AILAC presents further details on its views in Annex II to this document.

(d) What other elements should be considered in the development of the MPGs, including, inter alia, those identified in paragraph 92 of decision 1/CP.21?

15. AILAC considers that the reporting guidelines for biennial communications for all Parties should guarantee that information provided for tracking progress of NDCs and support can be easily and transparently aggregated.
16. In the context of the Global Stocktake, as established under article 14 of the Paris Agreement, the enhanced transparency framework should provide valuable inputs to assess the collective progress towards achieving the purpose of the Agreement and its long-term goals.
17. Finally, AILAC wants to remark the importance of having a well-organized workplan for the elaboration of the MPGs of the ETF. Therefore, AILAC present its views on further work through the following diagram:

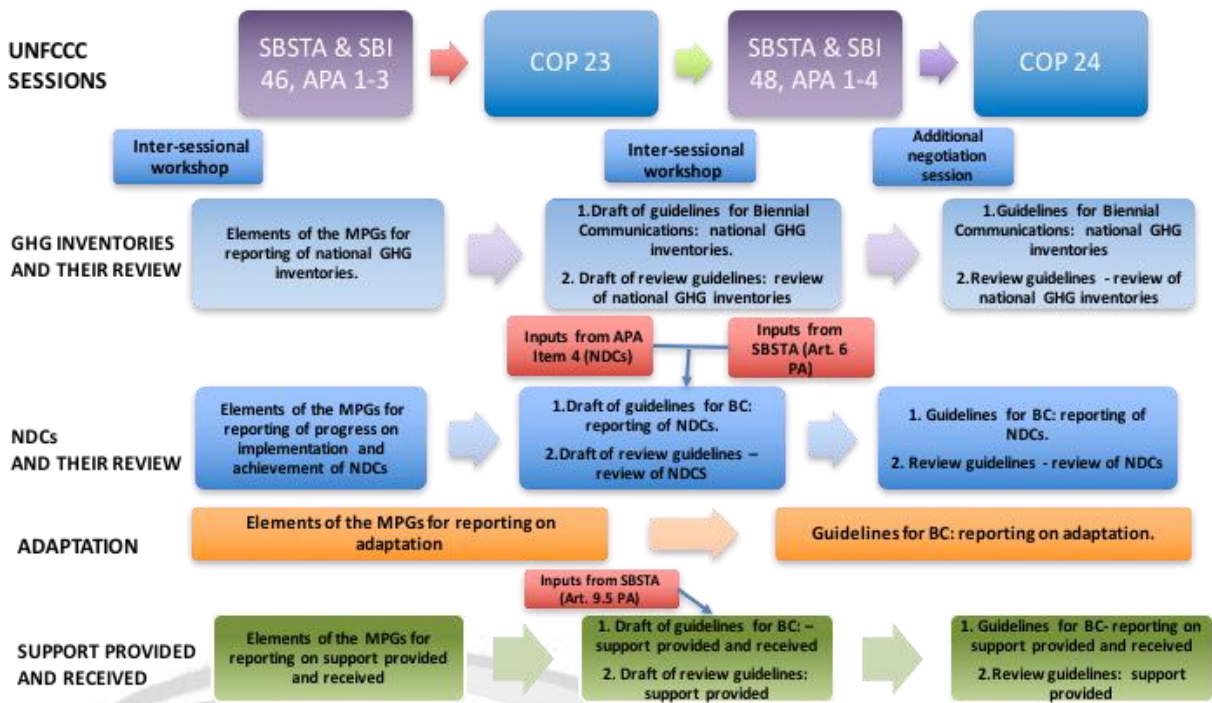


FIGURE 1. PROPOSAL OF WORKPLAN FOR ELABORATION OF MPGs OF THE ENHANCED TRANSPARENCY FRAMEWORK

ANNEX I - ELEMENTS OF THE MODALITIES, PROCEDURES AND GUIDELINES OF THE ENHANCED TRANSPARENCY FRAMEWORK

1. **GENERAL GUIDELINES** (including timing, structure of the reporting guidelines, objectives, principles, among others)
 - 1.1 **National Circumstances** (that allow understanding of the evolution of the country's GHG emissions)
 - 1.2 **Institutional arrangements** (for planning, preparation and management of National GHG inventories and tracking NDCs)
2. **REPORTING**
 - 2.1 **Reporting vehicles** (role of national communications and biennial communications under Paris Agreement)
 - 2.2 **National Inventory Report**
 - 2.2.1 Format of the GHG Inventory submission
 - 2.2.2 Methodologies for the elaboration of the National GHG Inventories
 - 2.2.3 Reporting of the National GHG Inventories
 - 2.3 **Tracking progress of implementation and achievement of NDCs within the scope of Article 4 of PA**
 - 2.3.1 Description of the NDC (including summary or update of the upfront information NDC).
 - 2.3.2 Quantitative reporting of progress made towards the achievement of emission reduction targets/policies under NDCs.
 - 2.3.3 Information on projections of GHG emissions and removals.
 - 2.3.4 Information on policies and actions and their progress.
 - 2.3.5 Information related to the implementation of Article 6 of PA.
 - 2.3.6 Report at the end of the implementation period of the NDC.
 - 2.4 **Information related to the implementation of Article 5 of the Paris Agreement**
 - 2.5 **Information on adaptation**
 - 2.5.1 Methodological approaches.
 - 2.5.2 Reporting of climate change scenarios, impacts, vulnerability assessments and adaptation measures and actions.
 - 2.6 **Information on support provided**
 - 2.6.1 Reporting on financial support.
 - 2.6.2 Reporting on technology transfer.
 - 2.6.3 Reporting on capacity building provided to developing countries.
 - 2.7 **Information on support received**
 - 2.7.1 Information on constraints and gaps, and related financial, technical and capacity-building needs.
 - 2.7.2 Information on financial resources, technology transfer, capacity-building and technical support received.
3. **REVIEW**
 - 3.1 **Objectives of the review**
 - 3.2 **Reviewing cycle** (including times for every step)
 - 3.3 **Structure and elements of the technical review report** (output)
 - 3.4 **Modalities of the technical review** (including, for instance, in desk, centralized and in country reviews or other emerging options)
 - 3.5 **Composition and functions of expert review teams and institutional arrangements**
4. **MULTILATERAL CONSIDERATION OF PROGRESS (MCP)**
 - 4.1 **Objectives of the MCP**
 - 4.2 **Inputs for the MCP**
 - 4.3 **Modalities for the MCP**
 - 4.4 **Outputs of the MCP**

Annex II HOW TO BUILD ON AND ENHANCE THE TRANSPARENCY ARRANGEMENTS AND REFLECT THE FLEXIBILITY IN THE MPGs OF THE ETF

PROPOSED ELEMENTS OF MPGs FOR THE ETF	HOW TO BUILD ON AND ENHANCE EXISTING TRANSPARENCY ARRANGEMENTS?	FLEXIBILITY ON SCOPE, FREQUENCY, LEVEL OF DETAIL AND REPORTING VEHICLES BASED ON NATIONAL CIRCUMSTANCES AND CAPABILITIES
1. GENERAL GUIDELINES	(Including timing, structure of the reporting guidelines, objectives, principles, among others)	
1.1 NATIONAL CIRCUMSTANCES	Information should be as specific as possible in order to describe national circumstances that can help understand the evolution of greenhouse gas emissions and removals, as well as atypical deviations in emission trends.	Flexibility will not be necessary for reporting on national circumstances.
1.2 INSTITUTIONAL ARRANGEMENTS	Countries should make every effort to establish, maintain and report on institutional, legal and procedural arrangements for the implementation of NDCs and GHG inventories.	Reporting on these arrangements does not require flexibility per se, but capacity building for building up arrangements is required.
2. REPORTING		
2.1 REPORTING VEHICLES	<p>Common guidelines for biennial communications should draw upon current reporting guidelines for both developed and developing countries.</p> <p>Parties should consider a way to introduce a common time frame for biennial communications and this time frame should be decided in 2018.</p> <p>National communications will continue to play an important role in reporting information on climate action, specially, as a vehicle to report progress on adaptation, until Parties are in a position to report biennially.</p> <p>Reporting under national communications will continue and be complemented by Biennial communications prepared under common guidelines of the ETF.</p>	<p>Flexibility for developing countries relates to the type of vehicle that they should use for reporting national adaptation actions and plans.</p> <p>In the year where a national communications and biennial communications coincide Parties may choose to present a joint report.</p> <p>National Communications will continue to be an important reporting vehicle for adaptation.</p>
2.2 NATIONAL INVENTORY REPORTS		

a) Format of GHG inventory submission	a) All Parties should include in their biennial communications a National Inventory Report (NIR) that should be complemented with quantified information provided through tables similar to the existing Common Report Format tables (CRF tables) in excel.	<p>The IPCC guidelines for National GHG Inventories have enough flexibility to allow developing countries to choose the most appropriate methods (and tiers) to estimate their national GHG emissions and removals. However, all Parties should make every effort to use IPCC good practice guidelines as well and higher tiers and methods that transparently and accurately reflects the evolution of their emissions, as they strengthen their capacities.</p> <p>For example:</p> <p>a) Parties should identify key categories for the reference year or the starting year of the reference period for the estimation of the goals included in the NDC, as well as the latest reported inventory year, using approach 1, level and trend assessment. Countries could also use approach 2 and add on additional key categories to the results of approach 1. However, methodologies used for identification of key categories could be adjusted to reduce the number of key categories.</p> <p>b) Countries should calculate at least quantitative estimations of the uncertainty for all categories using approach 1 (included in 2006 IPCC Guidelines). Countries could advance in using approach 2 or a hybrid of approaches 1 and 2 provided in the 2006 IPCC Guidelines.</p> <p>c) When data is lacking, Parties could use IPCC options to complete time series when compiling their Inventories.</p> <p>To provide a better support countries with insufficient capacities to estimate national EF, ongoing EF work and databases should be enhanced including clear references and explaining assumptions of how they were calculated.</p>
b) Methodologies	b) Developing countries should continue with the biennial submission of their national GHG Inventories but should aim to use the most up-to-date guidelines provided by the IPCC.	
c) Reporting of the National GHG Inventory	<p>c) Accurate national GHG inventories should constitute the main instrument to track progress of NDCs. Strengthened capacities are required to estimate and improve national emission factors and activity data, and reduce the uncertainty of national estimates of emissions and removals in the development of consistent time series.</p> <p>d) Countries should make every effort to give continuity to the principles of Transparency, Accuracy, Completeness, Consistency and Comparability (TACCC) when they prepare their national GHG Inventories.</p> <p>e) Parties should calculate and report aggregate emissions and removals of GHGs, expressed in tonnes of CO₂ equivalent, using the most up-to-date GWP values which would be adopted, and modified when necessary, by the COP. The use of standardize metrics could facilitate the aggregation of GHG emissions as an input for evaluation of the progress in the achievement of global goals,</p> <p>f) Developing Parties should make every effort to estimate complete and consistent time series. This information could be useful to understand better the evolution of national and global GHG emissions.</p>	

	<p>g) Countries should make every effort to quantitatively estimate the uncertainty and to include at least qualitative uncertainty.</p>	
<p>2.3 TRACKING PROGRESS OF IMPLEMENTATION AND ACHIEVEMENT OF NDCs</p>		
<p>a) Description of the NDC, including summary or update of the upfront information of the NDC. b) Reporting of progress made towards the achievement of NDCs. f) Report at the end of the implementation period of the NDC.</p>	<p>a) Summary or updating of the NDCs: Indicate core information that has to be reported for all types of NDC and specify additional information by type of NDC. b) Parties should include information on uncertainty around the national emission reductions goal and any emission reductions related to this goal. Uncertainty needs to be estimated according to the latest IPCC Guidance for GHGI and other information, as appropriate c) Any change in reference levels should be complemented with information on sensitivity analysis (that could be based on further guidance provided by the IPCC), when applicable, and description of methodology used for recalculation. d) Information on the progress of implementation of mitigation actions and policies proposed to achieve the NDC target (general description, steps taken or envisaged, mitigation potential, observed GHG emissions reductions, others). e) The use of mechanisms and cooperative approaches under Article 6 should be reflected in the quantitative analysis of progress made towards the achievement of NDCs and be transparently described in Biennial Communications. f) Parties using international carbon markets for achievement of their NDCs should report at least</p>	<p>Flexibility may be required in the description of how mitigation actions are implemented to achieve the mitigation goals included in respective NDCs (i.e. Description of emission reduction measures in the most important categories for the country, etc.) Different levels for sensitivity analysis to report changes in reference levels (i.e. baselines) could be set according to the capacities of countries and upon availability of methodologies for these analysis.</p>

	issuance, transfer, retirement (cancellation) of mitigation outcomes.	
2.4 REPORTING ON IMPLEMENTATION OF ARTICLE 5 OF THE PARIS AGREEMENT	The reporting of this information should take into account, among others, the decisions of Warsaw Framework for REDD+.	
2.5 REPORTING OF ADAPTATION		
a) Methodological approaches	<p>Any additional modality, procedure or guidance to be developed for the transparency of adaptation actions should take into account the specificities of the adaptation efforts and give due consideration to the required longer time frames (longer than mitigation efforts). Consideration should also be given to the challenges there are in designing monitoring and evaluation systems that could serve to assess individual and collective progress, including:</p> <ul style="list-style-type: none"> - Development and access to data on climate change impacts, vulnerability, risks and adaptation. - Methodologies, metrics and indicators to regularly assess impacts, vulnerability and adaptation measures in all sectors and/or in specific geographic conditions. - Identification and assessment of adaptation options. - Technical support and guidance related to implementation of adaptation action - Methodologies and indicators to evaluate the effectiveness of adaptation efforts as an input to formulate more effective adaptation measures. 	<p>Flexibility in frequency of reporting: Give due consideration to the availability of information to report on and the development of internal monitoring and evaluation systems.</p> <p>Flexibility in the reporting vehicle: Recognize continued use of National Communications for reporting on progress made in implementing adaptation actions.</p>
b) Reporting on adaptation		
2.6 REPORTING OF SUPPORT PROVIDED	a) Taking into account the work that the SBSTA is conducting on modalities for the accounting of financial resources provided and mobilized through public interventions and the work under the COP on financial information to be provided in accordance with Article 9.5, the ETF includes guidelines to improve the quality, comparability and reduce uncertainty of data and information regarding climate finance, technology development and transfer and capacity building. It must provide useful and credible data on the provision and	

	<p>mobilization of support, including all three components of the means of implementation for the Paris Agreement.</p> <p>b) It would be essential to agree on general guidelines and methodologies if possible, to frame the way Parties monitor, report and contribute to enhance a dynamic system that continuously triggers the effective provision and mobilization of all means of implementation.</p>	<p>Developed Country Parties shall continue with this level of detail and frequency in reporting of support provided, aiming at improving in the disaggregation and quality of data.</p> <p>Flexibility could be reflected in the case of reporting of other Parties different than developed Country Parties that provide support.</p>
a) FINANCE	<p>The ETF must build upon and take into account the work already done and under way in different bodies under the Convention, such as the development of the modalities for the accounting of financial resources provided and mobilized through public interventions in accordance with Article 9, paragraph 7 of the Paris Agreement and the experiences of the Biennial Assessments and Overview of Financial Flows done by the Standing Committee on Finance.</p>	
b) TECHNOLOGY TRANSFER	<p>The ETF should also consider the support provided for technology development and transfer, building from the experiences of the Common Tabular Formats, the NatComs, and the BURs and any future development in the implementation of the Technology Framework and the Technology Mechanism.</p>	
b) CAPACITY BUILDING	<p>In terms of capacity-building, the ETF should consider the new institutional arrangements that were agreed in Paris, particularly the work of the PCCB, and enhance the quality and availability of information regarding capacity building. It should build upon the lessons learned from the third comprehensive review of the implementation of the framework for capacity building in developing countries under the Convention and the Kyoto Protocol.</p>	
2.7 REPORTING OF SUPPORT RECEIVED		
<p>Information on constraints and gaps, and related financial (based on associated cost of mitigation and adaptation actions), technical and capacity-building needs.</p>	<p>a) As stated in paragraph 94 of decision 1/CP21, reporting on support received by developing countries should be enhanced, including its use,</p>	<p>The provision of information related to support received by developing country Parties represents a challenge since it has not been systematically done and generally data has not been collected before.</p>

Information on financial resources, technology transfer and development, capacity-building and technical support received	<p>impact and estimated results, especially in the context of NDCs.</p> <p>b) From a technical standpoint it must be noted that reporting on support received will be more feasible if there are clear guidelines and definitions related to what constitutes provided support, as well as for mobilized support and if there is more transparency on methodological approaches and underlying assumptions used by developed countries.</p>	The new reporting responsibilities for developing countries will require new and enhanced technical capabilities and the development and consolidation of domestic systems and institutional arrangements to improve the coordination among different stakeholders. Therefore, flexibility will be needed in the scope and frequency of reporting of support received.
3. REVIEW		
3.1 TECHNICAL REVIEW	As established in the Paris Agreement, common MPG should be developed for the technical review of information that will be communicated biennially.	
a) Objectives of the technical review	The review process has to serve to improve technical capacities in the country both for transparency purposes as well as for facilitating the implementation of NDCs and it should thus be designed accordingly. To fulfill this purpose, technical experts in charge of review process should be able to provide straightforward recommendations and assistance to identify capacity building needs to improve their reporting and other related national process.	Flexibility provisions should be considered for developing countries according to the progressive enhancement of their capacities, for example, by allowing a more flexible timeframe for implementing any recommendations by the technical experts and by identifying those recommendations that may be implemented only if sufficient financial support and capacity building are made available.
b) Timing	Technical review should be conducted every two years for all Parties (except SIDs and LDCs).	
c) Structure and elements of the technical review report (OUTPUT)	<p>The main output of this technical review should be a report that includes:</p> <p>a. Consideration of the information provided to report implementation and achievement of the respective NDC</p> <p>b. Consideration of information related to support provided;</p> <p>c. An assessment of consistency with MPGs.</p> <p>d. Recommendations by expert review teams to Parties</p> <p>e. Identification of capacities needed to improve quality and level of information reported to track NDCs, including national GHG inventories.</p>	

d) Modalities of the technical review (PROCESS)	The technical review process under ETF could be conducted using the same modalities of the current transparency framework: desk, centralized, and in-country reviews. However, it should be considered that certain type of review as in country review should not be applied to some Parties (as LDCs and SIDs).	Flexibility on review should be reflected through the identification of new modalities for this process. For example, a review could be conducted among peers that comes from Parties with similar national circumstances.
e) Expert review teams and institutional arrangements (including role of the Secretariat, competence and composition of the ERT)	<p>a) The technical review should be conducted by experts nominated by Parties as part of the roster of experts of the UNFCCC.</p> <p>b) Technical review should take advantage of the experience gained by the teams of technical experts and Lead Reviewers, in the assessment of BR, BUR, Annex I AIS, KP assigned amounts and accounting (including activities under paragraph 3.3. and 3.4. of the KP), REDD+ reference levels and REDD+ technical annexes.</p>	Flexibility will not be necessary for the composition of Technical Expert Review Teams. However, it is necessary to bear in mind that it will be necessary to maintain the provision of financial support for the participation of review experts from developing countries.
4. MULTILATERAL CONSIDERATION OF PROGRESS		
Objectives of the MCP	Building trust and confidence amongst Parties and engaging in a transparent process open to a broader audience.	If so requested, a MCP could be carried out by groups of countries with shorter presentation sessions and with the opportunity to resolve questions after the session.
Inputs for the multilateral consideration of progress	Report of technical review and biennial communications and other material useful to understand better what was reported by Parties.	
Modalities of the Multilateral Consideration of Progress (PROCESS)	Modalities and procedures for this process should expand upon M&P of multilateral assessment under IAR and the facilitative sharing of views under ICA.	
OUTPUTS of the Multilateral Consideration of Progress	A report that includes views exchanged and lessons learned during the process.	