



# Australian Government

## Submission to the Ad Hoc Working Group on the Paris Agreement on the modalities, procedures and guidelines for the transparency framework for action and support referred to in Article 13 of the Paris Agreement

October 2016

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Australia welcomes the opportunity to share its views on the common modalities, procedures and guidelines for the transparency framework for action and support referred to in Article 13 of the Paris Agreement.

This Submission will address all six common elements of the enhanced transparency framework: national inventory reports; information to track progress towards Nationally Determined Contributions (NDCs); climate change impacts and adaptation; support provided and received; and technical expert review and facilitative multilateral consideration.

An enhanced transparency framework will help Parties track their progress towards their individual contributions; build mutual trust and confidence; improve understanding of global emission trends, financial flows and adaptation actions; and help track progress towards the historic global goals set in Paris. It will also support domestic policy planning and identifying capacity building needs.

Modalities, procedures and guidelines for the enhanced transparency framework should:

- form a single, cohesive set of efficient and streamlined guidance, applicable to all Parties
- build on previous experience with a view to superseding the current system with a framework that is fit-for-purpose for tracking progress under the Paris Agreement
- incorporate flexibility as an enabling instrument for those Parties who require it in light of their capacities to improve over time
- be capable of tracking individual and collective progress towards achievement of NDCs
- support reporting that is transparent, accurate, consistent, comparable and complete (TACCC) and provide confidence that Parties are maintaining environmental integrity and avoiding double counting.

### **Capacity building**

Some Parties will require support to build on existing technical and institutional capacity to implement the framework. This requires concerted, sustained and constructive effort. Multilateral funds and bilateral efforts have an important and complementary role in assisting Parties to build this capacity. Australia welcomes the recently established Capacity Building Initiative for Transparency (CBIT), and the important contribution it will make in assisting Parties to prepare for the post 2020 system. Australia remains committed to sharing our experience and expertise to assist others in further developing their national monitoring and reporting systems.

### **National inventory reports**

All Parties are required to provide regular National Inventory Reports of anthropogenic emissions by sources and removals by sinks of greenhouse gases. Regular inventory reporting contributes to the

development of time series data, helps to build and retain national expertise and capacity and supports domestic policy planning. Reporting modalities, procedures and guidelines should appropriately accommodate differences in national circumstances and capacity, noting the IPCC guidance already goes some way to providing this flexibility through the availability of tiers and the ability to select appropriate methods.

National inventories should:

- cover as many sectors and gases as practical and as needed to understand NDC progress
- provide detail on the methodological approaches used
- apply a common tabular format to assist with comparability and reduce burden on reviewers
- endeavour to use up-to-date IPCC guidelines.

### **Information to track progress in implementing and achieving NDCs**

Understanding progress towards NDCs is a key aspect of the new framework, to build mutual trust and confidence, and inform the Global Stocktake.

NDCs vary in their characteristics (types of reference point, timeframes and/or periods of implementation, scope and coverage, etc.). The information required to understand progress under each different NDC type should be outlined in the framework.

To understand progress, Parties need to provide information relevant to NDC type at key stages:

- quantifying contributions pre-implementation (including, for example, NDC reference points, scope and coverage of sectors and gases, underlying assumptions, and accounting approaches)
- tracking progress during NDC implementation
- comparing NDCs with results at the end of the NDC period (including, for example, the use of International Transferred Mitigation Outcomes (ITMOs) towards achievement of the target).

A description of policies and measures, and their implementation progress should also be provided.

In tracking progress, the information required under the framework should be consistent with, and informed by, guidance developed on:

- information for clarity, transparency and understanding of NDCs under Article 4, paragraph 8
- accounting for NDCs under Article 4, paragraph 13
- the use of ITMOs towards achievement of NDCs under Article 6, paragraph 2.

### **Information on climate change impacts and adaptation**

The new transparency framework includes the option for Parties to provide information on climate change impacts and adaptation. Sharing information on adaptation priorities, actions and progress will be a valuable input to understanding how different countries and communities are building resilience to climate impacts.

Reflecting the ongoing, iterative and locally driven nature of adaptation planning and processes:

- Parties may choose to report on their adaptation planning process as outlined in article 7, paragraph 9

- consideration should be given to the number of reporting options for recording adaptation actions, including through National Communications, National Adaptation Plans, and the Adaptation Communication (article 7, paragraph 10 of the Paris Agreement), to ensure reporting processes add value and are not duplicative

### **Information on support provided and received**

Reporting on support is an integral part of the new transparency framework. Transparency of support helps promote trust among Parties, and gives important insights into where and how finance is being delivered. It also promotes effectiveness of climate finance by institutionalising monitoring and evaluation practices that allow countries to identify successful projects and areas for improvement. Reporting on support mobilised, provided and received will be a critical input to the Global Stocktake.

The existing UNFCCC reporting framework provides a good starting point for reporting on support under the Paris Agreement. Nevertheless, there are areas to be developed in order to give a more complete picture of climate finance, including for example:

- improved reporting on private finance mobilised through Parties' public interventions
- enhanced reporting on support received to provide insight into climate finance from the perspective of recipient countries
- ensuring the transparency framework can provide the information necessary to understand progress towards the goal in Article 2, paragraph 1(c) of making finance flows consistent with low-emission, climate resilient pathways
- draw on the modalities for the accounting of climate finance developed under paragraph 57 of the Paris Decision.

### **Technical expert review and facilitative multilateral consideration**

The enhanced framework will include a technical expert review and a facilitative, multilateral consideration of progress. A robust, fair and facilitative review process will increase trust between Parties, provide credibility for input to the Global Stocktake and, as experience with the current system has shown, assist with improvement.

The technical expert review process should include an assessment of whether information reported is TACCC, and if it is consistent with the common modalities and guidelines of the framework. This process should be conducted in close cooperation with the Party concerned, give consideration to Parties' capacity constraints and national circumstances in the assessments, and identify capacity building needs as appropriate.

### **Way forward**

In Paris, Parties agreed to agree the new modalities, procedures and guidelines by 2018. To achieve this, work on the technical aspects needs to progress efficiently. At Marrakesh, Parties should consider the best way to advance and sequence this work to meet this timeframe.

Australia recognises the inherent linkages between this item and agenda items on accounting, information for NDCs, markets, adaptation, and climate finance accounting. Close coordination between the items will be important to ensure that their work is complementary. Where appropriate, joint meetings of relevant expert groups could be convened to identify and address specific points of commonality.