

United States' Submission on Common Modalities, Procedures and Guidelines for the Enhanced Transparency Framework

- The United States is pleased to provide views on the common modalities, procedures and guidelines (MPGs) for the enhanced transparency framework for action and support established in Article 13 of the Paris Agreement.
- This submission addresses the following elements: (1) benefits of transparency of action and support; (2) lessons learned from existing transparency arrangements; (3) key elements to consider when developing the common MPGs, including flexibility; and (4) organization of work and COP-22 outcomes.

Benefits of transparency of action and support

- The Paris Agreement establishes the purpose for the enhanced framework for transparency of action and support. In short, the purpose of the framework for transparency of action is to provide a clear understanding of climate change action to inform the global stocktake, while the purpose of the framework for transparency of support is to provide clarity on support provided and received and, to the extent possible, to provide a full overview of aggregate financial support provided to inform the global stocktake.
- In addition, transparency of action and support has numerous benefits for countries. These include: (1) building confidence amongst countries that their ambitious actions are being met by those of their partners; (2) driving ambition and promoting effective implementation of our respective mitigation targets; (3) helping countries identify, plan, and implement climate change policies; (4) communicating to domestic audiences the importance of action on mitigation and adaptation; (5) providing an overview of aggregate financial support; and (6) identifying areas for further capacity-building.
- The common MPGs should be designed to continue to facilitate these benefits.

Lessons learned from existing transparency arrangements

- The many lessons learned from implementing current transparency arrangements should inform the development of the common MPGs for the transparency of action and support.
- First, engaging in the reporting and review process itself helps to build in-country technical and institutional capacity over time. Regular reporting facilitates institutionalization and continuity of the transparency process for

domestic purposes, encouraging senior government officials to pay attention to the product and helping to build whole-of-government involvement, coordination, and buy-in. Feedback via technical analysis and expert review facilitates continuous improvement and also supports informed capacity-building investments.

- Second, transparency can have a positive role in informing domestic policy planning processes and identifying mitigation, adaptation and support opportunities that advance national priorities.
- Third, all countries improve their reporting over time, particularly compared to the first reports they submit. A well-documented, transparent report serves as the foundation and starting point for future reporting and updating. For example, in 1994 many Annex 1 Parties at various levels of development did not have sufficient capacity in place to produce high-quality greenhouse gas inventories, but all have benefitted from regular, facilitative review and have built capacity, expertise, and arrangements over time to put forward transparent, well-documented reports.
- Fourth, streamlining reporting requirements and review processes can reduce the burden on Parties, technical expert reviewers, and the Secretariat without lowering the quality of information provided to meet the objectives of Article 13.
- Fifth, all countries have a different starting point. Article 13 recognizes this by building in flexibility for those developing countries that need it in the light of their capacities, including a technical review process that assists such countries in identifying capacity-building needs.
- Sixth, a facilitative rather than a punitive review system is essential for promoting country buy-in and facilitating a frank discussion on capacity-building needs. This is a core component of the Paris Agreement.
- Seventh, clarity and specificity in the guidelines is important. During the first Facilitative Sharing of Views we heard many countries express frustration in applying certain aspects of the Biennial Update Reporting Guidelines that are vague or unclear, leading to uncertainty about whether countries are meeting the requirements. The common MPGs under Article 13 should be as clear and specific as possible. It would be useful to hear from Parties about other aspects of existing guidelines that have either hindered or helped countries in reporting.
- Finally, capacity-building support is key and increasing. There are numerous capacity-building support opportunities post-Paris that aim to build technical

and institutional capacity. One example, of course, is the Capacity-building Initiative for Transparency (CBIT). The United States has pledged \$15 million to CBIT and is encouraged by other donors' pledges and the Global Environment Facility's timely response to this request. We urge countries to develop proposals, in particular those countries that have undergone or are going through International Consultation and Analysis (ICA), since ICA includes the identification of capacity-building needs, which could inform a countries' CBIT proposal. Of course, this capacity-building support complements GEF's support for the agreed full costs of reporting, which is \$352,000 for a Biennial Update Report and \$500,000 for a National Communication.

Key elements to consider when developing the common MPGs, including flexibility

- 1/CP.21, paragraph 92 requests the Ad Hoc Working Group on the Paris Agreement (APA) to take into account a number of features when developing the common MPGs. These include, for example, the importance of facilitating improved reporting and transparency over time; the need to promote transparency, accuracy, completeness, consistency, and comparability; and the need to provide flexibility to those developing country Parties that need it in the light of their capacities. Future submissions will address each of these elements in detail, but this submission focuses on flexibility.
- In Bonn, there was significant interest in unpacking the Paris Agreement's references to flexibility. As we unpack flexibility, a few things become clear.
- First, flexibility is for those developing countries that need it in the light of their capacities. The transparency framework was not divided into "developed" and "developing" countries, but focuses on capacity to carry out the specific transparency MPGs.
- Second, flexibility should enable countries of different capabilities to prioritize aspects of the common MPGs and devote different levels of resources without undermining the core requirements (or floors) contained in Article 13 of the Paris Agreement.
- Third, flexibility can be applied in a number of different ways across the guidelines, but provisions that are not linked to capacity will not need flexibility.
 - For example, if a Party is reporting on its national circumstances there is no need for flexibility because the provision states that a country is simply putting forward this information. On the other hand, developing

- projections to track progress towards nationally determined contributions (NDC) under Article 4 (i.e. mitigation targets) requires capacity and therefore flexibility to account for capacity development over time makes more sense.
- Flexibility may also already be embedded within other guidelines that we draw upon, and therefore the common MPGs may not need to provide additional flexibility for those developing countries that need it in the light of their capacities on top of what already exists. For example, the IPCC Guidelines already provide flexibility for countries on preparing greenhouse gas inventories, for example through the use of tiers.
 - Flexibility in reporting on progress towards NDCs can also emanate from a country's choice of NDC. For example, countries that include the land sector in their NDC should specify their accounting method.
 - Finally, flexibility should recognize but not cement expectations, and should recognize that capacities will improve over time as they relate to the specific expectations of the transparency MPGs. Capacity-building is an iterative process that facilitates improvement over time, and the enhanced framework recognizes the importance of using transparency as a learning-by-doing process. The evolution of the system to date strongly suggests that as countries gain experience in the transparency system we can achieve a scenario where most countries have sufficient capacity to fully implement the common MPGs. The MPGs should be drafted so as to enable this outcome to become a reality. Obviously, capacity-building, supported by the technical expert reviews and facilitative, multilateral consideration of progress, will be very important in this context.

Organization of work and COP-22 outcomes

- The APA is tasked with elaborating common MPGs by COP-24 in 2018.
- The Paris Agreement has not mandated specific outcomes on the common MPGs at COP-22 in Marrakesh, but elaborating common MPGs will take significant time. Therefore, Parties need to make progress in Marrakesh on elaborating the details of the enhanced framework.
- To facilitate progress, we suggest organizing work in a manner that:
 - Takes up reporting guidelines first, before modalities and procedures for technical expert review and facilitative, multilateral consideration of progress.

- Allows elements on mitigation, adaptation, and support to move forward at a similar pace, while recognizing the unique characteristics of each. These discussions could happen in parallel rooms so as to make more progress.
- Recognizes that Article 13 relates to other post-Paris work programs, and that this work will need to feed in at the appropriate time. These other work programs include, *inter alia*, NDC accounting guidance, markets guidance, finance accounting modalities, and others.
- Recognizes that elaborating common MPGs is a technical process. To that end, we support intersessional workshops and submissions that address specific issues.