

Submission by South Africa to the Ad Hoc Working Group on the Paris Agreement on Transparency of Action and Support

13 March 2017

At the invitation by the APA co-Chairs in their draft conclusions on Items 3 to 8 of the Agenda (document no. FCCC/APA/2016/L.4, paragraph 15, a to d), South Africa is pleased to present its initial views, reserving the right to further elaborate its views during the negotiations. We look forward to exchanging views with other Parties.

1. Objectives of the MPGs

In describing the objectives for the common MPGs, Parties should recall the purpose for transparency of action (article 13, paragraph 5) and for transparency of support (article 13 paragraph 6). South Africa view is that no further or separate statement of objectives is needed for this work.

(a) Treatment of National Communications and annual GHG inventory reports by developed countries

Decision 1/CP.21, including Article 13, is silent on what should happen to the transparency provisions under the Convention that were established prior to Cancun; It is silent on what should happen to National Communications and annual GHG inventory submissions by Annex 1 Parties. The understanding here is that these are not affected by the establishment of the enhanced transparency framework and therefore should remain in place and continue in their already established format.

(b) Sequence of developing the MPGs

South Africa's view is that the development of MPGs should start with developing reporting MPGs. To support this call, we call for the Secretariat to develop a technical paper on existing reporting guidelines, including in their analysis existing guidelines for national communications, biennial reports, biennial update reports and greenhouse gas inventory, with the view to highlight their relevance to the enhanced transparency framework for action and support under the Paris Agreement.

(c) Scope of information to be reported

Our understanding of the scope of information to be reported in the context of article 13 is

- Mitigation
- Adaptation
- Support; particularly finance, but also technology development and transfer and capacity-building.

2 Principles

We would like to indicate that, in our view, the main principles guiding the transparency framework are the following.

Enhanced action requires enhanced support (financial, technical and capacity building) to developing countries. Both action and support must be measured, reported and verified with rigour in the transparency framework of the Paris Agreement. Enhanced action must be directly proportional to enhanced support until the purpose of the Agreement is reached.

Enhanced support to developing countries to undertake transparency actions is the enabler for enhanced action. Sustained and effective support is required to ensure that developing countries participate effectively in the enhanced transparency framework.

South Africa has learned that tracking of action and support is costly. For us, the provision of support for the building of transparency-related capacity of developing country Parties on a continuous basis is the deal-maker of the enhanced transparency framework.

The second main principle is that of flexibility. South Africa, as a developing country, should not be expected to undertake transparency actions at the same level of rigour as the developed countries. Time is needed for developing countries to further enhance transparency. Flexibility must enable improved transparency over time, for all countries.¹

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

3. Reporting

(i) Frequency

Our view is that the frequency of reporting is clearly indicated in Paragraph 90 of Decision 1/CP.21, which states that *“all Parties, except for the least developed country Parties and small island developing States, shall submit the information referred to in Article 13, paragraphs 7, 8, 9 and 10, of the Agreement, as appropriate, no less frequently than on a biennial basis, and that the least developed country Parties and small island developing States may submit this information at their discretion”*.

In addition, South Africa’s understanding is that the reporting of the elements included in Article 13. 7, 13.8, 13.9 and 13.10 will all be contained in one biennial communication for each Party.

(ii) Reporting guidelines for GHG inventories

¹ Here we are responding to the Co-Chairs’ question: (c) With respect to the MPGs, how should flexibility for those developing countries that need it in the light of their capacities be operationalized?

Guidelines for the reporting of GHG inventories should be clear on the inventory year in relation to the reporting year and the IPCC guidelines to be used. Considering the varied capacities between the developing and developed country Parties on this, our proposal is that of a tiered system of reporting GHG inventories as follows:

- i. Tier 1 – Annex 1 Parties: GHG inventory year must be of a vintage no more than 2 years older than the reporting year, and the 2006 IPCC guidelines must be used, replaced by latest available IPCC guidelines as soon as published
- ii. Tier 2 – Developing countries: GHG inventory year must be of a vintage no more than 4 years older than the reporting year, and 2006 IPCC guidelines must be used.
- iii. Tier 3 – LDCs and SIDs: GHG inventory must be of a vintage no more than 4 years older than the reporting year, and 2006 IPCC guidelines may be used

There is a need for process to assist the developing countries to establish national GHG inventory systems (i.e. domestic institutional arrangements and capacity-building for the systematic compilation of GHG inventories). The reporting guidelines should include the requirement to report the country's needs, the country's progress in establishing such a system as well as the actual design or set-up of such a system. GHG inventory systems may also be established as part of the domestic MRV systems.

(iv) Guidelines for reporting INFORMATION necessary to track mitigation NDC

Pursuant to Article 13.7 (b), the MPGs for the tracking and reporting of progress in implementation and achievement of NDCs under Article 4 are critical in ensuring consistency and comparability in how Parties undertake this work. The information also has implications for the technical expert review under Article 13.11. Without being prescriptive, there should be guidance on how the different types of NDCs should be tracked, including information on the data to be collected, the conversion and emission factors to be used, the methodologies as well as the socio-economic factors to be used. This may include good practice guidelines that assist to Parties reporting procedures in maintaining a conservative approach in their estimates.

The MPGs should enable developing countries to describe their capacity needs and gaps in the tracking and reporting of progress in implementation and achievement of mitigation NDCs.

(v) Guidelines for reporting INFORMATION necessary to track adaptation

For South Africa, this aspect represents a very important enhancement of the transparency framework.

The issue of transparency of adaptation is a relative new aspect of the transparency package, which was not addressed in MRV. An important consideration in the development of MPGs for transparency of adaptation is to ensure that the reporting of adaptation information is “no less frequently than on a biennial basis” (para 90 of decision 1/CP.21). Indeed, regardless of the form in which adaptation is communicated and update in the context of article 7

paragraph 11, the transparency MPGs on adaptation should encourage and enable regular reporting and continuous improvement over time.

Also, because the issue of transparency of adaptation is one of the enhancement aspects of the transparency package, the MPGs for the transparency of adaptation should include the identification of capacity building needs.

Our view is that technical exchanges are needed on transparency of adaptation. These technical exchanges should focus on developing methods for reporting adaptation needs, costs, gaps and priorities, in a manner that can be useful for both facilitative multi-lateral consideration and also for the global stock take. To this end, South Africa requests that the Secretariat, in consultation with Chairs of the Adaptation Committee, Consultative Group of Experts, SBI and SBSTA, should convene a technical expert workshop on methodologies for reporting adaptation.

The common MPGs must include a section on adaptation; in our view an important component. In addition, there is a need to build a composite global picture of information on adaptation. To give effect to Article 7.14, South Africa calls for the Secretariat compile a synthesis report that can provide such a global picture. This synthesis report should serve to meet the purpose of transparency of action on adaptation, which is to inform the global stocktake under article 14.

Our reading of the Paris Agreement is that there is scope for adaptation information to undergo facilitative, multilateral consideration; and that is our preference. Also, our understanding of the Paris Agreement is that adaptation information will not undergo a technical expert review.

The guidelines for reporting transparency of adaptation should include:

Assessment of risks and vulnerability to climate change: This part could provide updated information on key vulnerabilities or risks threatening economic, social, environmental and other development progress related to current and expected climate change impacts, including non-climate drivers of those risks.

Climate Change Impacts: Under this heading, updated information on both observed and potential future impacts of climate change could be provided.

National Adaptation Policies and Strategies: This part could outline progress on adaptation policies, including laws, regulations, processes (such as the National Adaptation Planning process), strategies, action plans or sectoral plans, that illustrate the country's medium- and long-term approach to address risks and vulnerability through its broader national development and sector planning.

Progress of Adaptation Action: Under this heading, updated information on adaptation measures taken to address current risks and vulnerabilities and on their status of implementation could be described. This part could also outline updated information on progress of already implemented adaptation measures.

Adaptation good practices, priorities, needs and gaps: This section could contain information that would have arisen from the planning process, from on-going actions and also from recently implemented actions.

(vi) Guidelines for reporting information necessary to track support

The MPGs for transparency of support should include the following:

Guidelines for reporting on support received for climate change actions (mitigation, adaptation and transparency).

Reporting guidelines should allow developing countries to track support needed for enhanced climate change actions that would allow them to contribute to the achievement of the purpose of the Agreement. In particular, guidelines should enable developing countries to track and report their priorities and needs for adaptation actions.

Reporting guidelines will need to take into account the biennial communication of “indicative quantitative and qualitative information related to Article 9.1 and 9.3, including, as available, projected levels of public financial resources to be provided to developing country Parties,” from developed country Parties as required by Article 9.5 of the Paris Agreement.

In addition, the development of reporting guidelines has to maintain consistency with work that is on-going in the context of article 9.5, and the modalities for the accounting of financial resources provided and mobilized through public interventions in accordance with Article 9 of the Paris Agreement to be developed by the SBSTA for the first CMA, as mandated by paragraph 57 of Decision 1/CP.21. The development of MPG related to finance should also draw on the work by the SBSTA on methodologies for the reporting of financial information referred to in decision 2/CP.17, paragraph 19.

The Reporting guidelines should take into account the establishment of mechanisms, through the SCF, for measurement and review of amounts effectively received by developing country Parties for purposes of implementation of their NDCs.

(vii) Technical Expert Review

Procedures and guidelines for the implementation of the Technical Expert Review (TER) should ensure that the outputs thereof respond to the needs of the following processes:

- a. Facilitative multilateral consideration
- b. The compliance committee
- c. The global stock-take
- d. Facilitating implementation, action (Article 4 and Article 7) and support to developing countries

(viii) Multilateral considerations

Procedures and guidelines on the implementation of the Facilitative Multilateral consideration, taking inputs from the TER and ensuring that the outputs thereof respond to the needs of the following processes:

- a. The compliance committee
- b. The global stocktake
- c. Facilitating implementation, action and support to developing countries

Question: “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?”

The information required by Article 13.9 and 13.10 is necessary for a clear picture on climate finance, and setting goals for scaled-up finance. The revised methodologies for reporting of financial information by Parties included in Annex I to the Convention that was adopted in Decision 9/CP.21 in Paris should be included as a component of the reporting of support by developed country Parties under Article 13.9 of the Paris Agreement.

The experiences from the Multilateral Assessment and the Facilitative Sharing of Views show that the way that these are carried out has not been useful in promoting, ensuring or facilitating transparency in anyway. Specifically:

- a) Timing: The fact that these are undertaken in parallel with negotiations has significantly affected them negatively. It forces people to choose between negotiations and the MA or FSV and most of the time they feel they have more to lose if they miss the negotiations; also the negotiations are primarily attended by negotiators and not domestic implementation experts. But these processes actually need the latter to respond to questions of why and how appropriately and also to have meaningful facilitative contributions on how other parties can improve it is the domestic implementation experts that are needed not the negotiators.
- b) Approach: Particularly for the FSV which is meant to facilitate implementation and transparency for NA1 parties, the current approach of is not very effective. There is no record of the discussions during the FSV process by the secretariat; due to time constraints, discussions that could be useful to the parties are usually cut short and there is no mechanism to ensure or facilitate follow up discussions or support; there is no mechanism to assist the parties to implement the recommendations and ideas coming from both the FSB and the MA processes.

These experiences necessitate that the Facilitative Multilateral consideration process be designed and implemented differently from the current MA and FSV processes. Considerations may include ensuring that the entire discussion in that process is properly documented and key recommendations are highlighted by the Secretariat and handed over to both the party concerned and the compliance committee which should use them, together with the report of the TER, as the basis for facilitating improvement.