

## **The Republic of Korea's Submission on the Modalities, Procedures, and Guidelines for the Transparency Framework for Action and Support**

The Republic of Korea is pleased to submit its views on the modalities, procedures, and guidelines (MPGs) for the transparency framework for action and support referred to in Article 13 of the Paris Agreement.

Having expressed our views in the EIG's views on the MPGs for the transparency framework for action and support in FCCC/APA/2016/INF.3/Add.2, we would like to further present our views on the MPGs for the Transparency Framework for Action and Support, including our views on the questions raised in paragraph 15 in FCCC/APA/2016/L.4. Our suggestions on specific components for the MPGs are in the Annexes<sup>1</sup> of this submission document.

### **1. General views on the MPGs for the Transparency Framework for Action and Support**

- We support common MPGs for an enhanced transparency framework building on existing arrangements under the Convention. The common MPGs, with flexibility<sup>2</sup>, must be applicable to all Parties<sup>3</sup> to adhere to the TACCC principle<sup>4</sup> which is an essential prerequisite for mutual trust and confidence building among Parties.
- The common MPGs, including simple, but well-defined rules, should not impose undue burdens on Parties and the Secretariat<sup>5</sup>. The common MPGs with clear explanation on each component can help Parties precisely understand what shall (should) report and be

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<sup>1</sup> Annex A: Guideline for Reporting, Annex B: MPGs for Technical Expert Review, Annex C: MPGs for Facilitative, Multilateral Consideration

<sup>2</sup> Para. 92(b), Decision 1/CP.21

<sup>3</sup> The least developed countries and small island developing States are to implement Article 13 of the Paris Agreement at their discretion.

<sup>4</sup> Para. 92(c) , Decision 1/CP.21

<sup>5</sup> Para. 92(d), Decision 1/CP.21

reviewed in terms of mitigation, adaptation, and means of implementation and implement the Paris Agreement effectively.

- We need to consider how to apply flexibility to the transparency framework during the development of specific components in the common MPGs<sup>6</sup>. Based on our experience regarding the existing arrangements under the Convention, It appears that the level of capacity varies depending on the reporting and review components in the guidelines. Hence, certain period must be provided to Parties for first taking flexibility on specific areas in which they face capacity constraints, then leveling up their capacities, and eventually attaining advanced capacities compatible with all components in the common MPGs.
- Support must be provided to Parties, currently at different starting points with limited capacities, taking flexibility in terms of scope, frequency and level of detail of reporting, and the scope of review<sup>7</sup>. However, the degree of flexibility of the Parties must gradually diminish as they make progress over time with their own effort and support received.

## **2. Specific Views on the questions raised in paragraph 15 in FCCC/APA/2016/L.4**

### **(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?**

- In the common MPGs, components should be listed as specifically as possible and defined clearly. Vague definition or lack of sufficient explanation of specific components in the common MPGs will confuse the Parties when they implement Article 13.
- For example, if the quantitative/qualitative information is not reported as it is originally supposed to be reported by the Parties due to the Parties' misinterpretation on the specific components in the common MPGs, we will ultimately have false information on our GHG emissions level and progress of climate actions and means of implementation.

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<sup>6</sup> Para. 94(a), Decision 1/CP.21

<sup>7</sup> Para. 89, Decision 1/CP.21

- We support that the common MPGs must be composed of essential and additional components in the reporting guidelines in consideration of the TACCC principle. For the essential components, flexibility can be applied by allowing the Parties to do partial or full reporting. For the additional components, Parties can be given the option of no or partial or full reporting. Under this frame, the Parties can determine themselves how they can apply flexibility in consideration of their national capabilities and circumstances. Further details on how we view what essential/additional elements should be are presented in the Annexes<sup>8</sup>.

**(b) How should be 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?**

- Parties have put much effort into developing the MRV system in the early stage of the Convention, and since 2014, some Parties have experienced the BR/BUR and IAR/ICA system. We can try to utilize the various reporting and review components<sup>9</sup> already developed and applied in the BR/BUR and IAR/ICA system in designing the common MPGs<sup>10</sup>.
- The common nature in the MPGs is for the TACCC principle. However, Parties' disparate

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<sup>8</sup> At this stage, we do not insist on or prejudge everything suggested in the Annexes as the "shall" components applicable to all for the common MPGs. Rather, these can be presented more as ideas for further discussion. In our view, the most important purpose for the development of the common MPGs is to make "all Parties on board first" with an enhanced transparency framework although many Parties may not be able to implement Article 13 perfectly according to the common MPGs due to the current capacity gaps and challenges. We may take the first round of reporting as a try, but the first round of review on that first reporting will help Parties understand their starting points more clearly and do better for the second round reporting. We believe that is a learning-by-doing process.

<sup>9</sup> For example, specific components in the common reporting format and common tabular format

<sup>10</sup> In the process of the development of the common MPGs, all Parties should make efforts to avoid designing the reporting and review guidelines in a bifurcate way for ensuring environmental integrity and building trust among Parties.

capacities necessitate application of flexibility defined in the common MPGs. This kind of flexibility application implies that Parties will participate in the transparency framework from different starting points and progress over time to a common end point.

- The specific components in the common MPGs in the enhanced transparency framework are to be multilaterally and technically determined in consideration of the TACCC principle. But the starting points for the specific components are to be nationally determined by the Party on the basis of its capacities and experiences from the existing transparency arrangements.
- We believe that the transparency framework under the Paris Agreement can build on and enhance the existing transparency arrangements by incorporating both different starting points and the common end point.

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

- Given the challenges of preparation for the NCs and BURs and gaps identified in the technical review reports of the ICA process for developing country Parties, it seems that many Parties will need certain degree of flexibility in the enhanced transparency framework. However, flexibility should not result in a static and bifurcated transparency framework, discouraging continuous improvement and capacity building efforts.
- We think that it will not be an easy process for Parties to nationally determine the starting points in an enhanced transparency framework. From our experience participating in the ICA process, technical comments were helpful to understand our capacity gaps and challenges with regard to institutional arrangement, human resources, national statistics or reliable scientific/socio-economic data for greenhouse gas inventory compilation and tracking progress of mitigation actions.
- If the common MPGs provides a list for checking their current capacity vis-a-vis specific components with regard to Article 13.7-12 before implementation of an enhanced transparency framework, it will be as helpful as a technical review comment from the ICA process so that Parties may determine the level of flexibility at the starting point.
- And to operationalize flexibility in a dynamic situation following the "no less frequently

than on a biennial basis”, we support “Improvement (or Enhancement) Plan<sup>11</sup>”, considering capacity gaps and challenges and areas of improvement identified through the technical expert review.<sup>12</sup> It can be included as one of the components in the common MPGs.

- Each Party is encouraged to prepare and submit, as part of the biennial report, an improvement plan in a comprehensive way or for each specific component<sup>13</sup>, including a description of support needs.
- The improvement plan will enable Parties to make progress in reporting, lower degree of flexibility over time, and guide domestic policy-makers with a direction of travel for better transparency.
- Therefore, flexibility can be operationalized in a way to incentivize developing country Parties, not permanently fixed at the starting point, to strengthen their capacities with domestic resources available by themselves or utilize the support provided.

**(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?**

- In our view, there are three other elements which should be considered in the development of the MPGs, including those identified in paragraph 92 of decision 1/CP.21.
- First, when necessary, we must take stock of the progress of other work streams related to mitigation, adaptation, means of implementation, and etc<sup>14</sup>. and we should take their outcome into account as we develop the specific components in the common MPGs of

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<sup>11</sup> Para. 92(a), Decision 1/CP.21

<sup>12</sup> To reflect the comment from the technical expert review, “ Improvement Plan” should be reported from the second biennial reports and then, improvement plan should be updated in subsequent reports on a regular basis.

<sup>13</sup> For example, waste sector’s activity data or emission factor, monitoring mitigation progress for power generation sector, and etc

<sup>14</sup> Para. 8, 26~28, 31~32, 36~40, 55~57, 76, 99, 101, 103, Decision 1/CP.21

the transparency framework<sup>15</sup>. Considering the urgency of the work and the deadline of development of several rule books which has to be finished by 2018, we should start discussing how to efficiently take into account the outcomes of other work streams as soon as possible.

- Second, we should agree on the final period of the existing BR/BUR and IAR/ICA system and the first period of the new reporting, technical review, and facilitative, multilateral consideration in the common MPGs.
- Third, we need to be more specific on how to specifically apply the “no less frequently than on a biennial basis” to the Parties. We basically support a biennial reporting cycle for all Parties with the exception<sup>16</sup> for the least developed countries (LDCs) and small-island developing states (SIDS).

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<sup>15</sup> Para. 93, Decision 1/CP.21

<sup>16</sup> Also, we recognize the need to ensure that Parties maintain at least the frequency and quality of reporting in accordance with their respective obligations under the Convention according to Para. 92(e), Decision 1/CP.21

## Annex A

### Guideline for Reporting

To develop the MPGs in a logical way, we believe the specific components for the common reporting guideline should be organized and agreed upon by the Parties before discussing the technical review and facilitative, multilateral consideration. The specific components required for the common reporting guideline are presented as initial ideas for further discussion as follows.

#### 1. (Article 13.7a) National inventory report

- National inventory report (NIR) is one of the most important information that all Parties, shall prepare and report, to the extent possible, in the process of achieving the global temperature goal stated in Article 2 of the Paris Agreement.
- The quantitative emissions data must be collected to understand where we stand in the process to achieve the goal of the Paris Agreement and the data collected can be also used as an input for the global stocktake undertaken every five years.
- In principle, all Parties must submit the NIR no less frequently than on a biennial basis, except for the LDCs and SIDS, although the scope and the level of detail in the Parties' NIR vary.
- However, for Parties with intention to participate in the voluntary cooperation established under Article 6 of the Paris Agreement, we think it is especially important for those Parties to report the NIR for ensuring environmental integrity<sup>17</sup>.

We suggest that Parties shall prepare, to the extent possible, the NIR based on the TACCC principle and can take flexibility for each specific category as follows.

##### a. General Information

- Methodology: Applied methodologies for the 1<sup>st</sup> NDC and the most recent IPCC GLs from the 2<sup>nd</sup> NDC, *(Flexibility) Other GLs accepted by the IPCC and agreed upon by the CMA*
- Gas coverage: Gases in the GLs accepted by the IPCC and agreed upon by the

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<sup>17</sup> Para. 92(g), Decision 1/CP.21

- CMA *(Flexibility) Partial reporting with explanation*
- Sector coverage: Sectors in the GLs accepted by the IPCC and agreed upon by the Parties *(Flexibility) Partial reporting with explanation*
- Period: From 1990 to the most recent year to the reporting year agreed by the Parties *(Flexibility) Partial reporting with explanation*
- GWP metrics: the latest 100 year GWP
- Institutional arrangement: Legal background, governance, domestic MRV procedures (incl. timeline), etc.
- b. Key category analysis: Large emission by sources and removals by sinks or sectors with high domestic priorities *(Flexibility) No reporting*
- c. Emissions trend analysis: By gas, sector, and/or category, intensity (population, GDP), *(Flexibility) No reporting*
- d. Inventory by sector (From Energy to Waste) and category: Time-series emission data, source of activity data<sup>18</sup>, emission factor, uncertainty analysis, QA/QC, recalculation, *(Flexibility) Partial reporting with explanation*
- e. Improvement (Enhancement) Plan: gaps and challenges for the current reporting, improvement plan for the subsequent reporting, support needs for specific components *(Flexibility) No Reporting*

**2. (Article 13.7b) Information necessary to track progress made in implementing and achieving the nationally determined contribution under Article 4**

- Progress tracking information in implementing and achieving the NDC under Article 4 helps not only build trust among the Parties in the international regime, but also enable domestic government to manage mitigation pathways, evaluate the mitigation performance of sectors covered in the NDCs, and investigate additional mitigation measures needed to be on track towards the target.
- We support benchmarking useful existing components developed under the common tabular format for the enhanced common reporting guideline and all Parties, except for the LDCs and SIDS, must report the following information to the extent possible no less frequently than on a biennial basis.

- a. General information of the NDC

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<sup>18</sup> For example, the name of the statistics: Energy Balance, Waste Statistics



- Institutional arrangement: Legal background, governance, domestic procedures of tracking progress for climate mitigation policies and measures (incl. timeline)
  - Specific components<sup>19</sup> should be included based on the outcomes of other work streams related to paragraph 26, 28, and 31~32, in decision 1/CP.21.
- b. Mitigation actions and their effects
- Name, brief description, target gas(es) and sector(s), period, implementing entities, estimated GHG impacts if feasible and etc. *(Flexibility) Partial reporting with explanation*
- c. Accounting
- Specific components<sup>20</sup> should be included based on the outcomes of other work streams related to paragraph 31~32, and 36~38, in decision 1/CP.21.
- d. Projection
- Period: from the most recent emission data to the target year
  - Additional scenarios with assumptions including clear explanation of each scenario, *(Flexibility) No Reporting*
- e. Improvement (Enhancement) Plan
- gaps and challenges for the current reporting, improvement plan for the subsequent reporting, support needs for specific components *(Flexibility) No Reporting*

### **3. (Article 13.8) Information related to climate change impacts and adaptation under Article 7**

- Information related to climate change impacts and adaptation under Article 7 is as important as the NIR and information necessary to track progress of implementation and achievement of its nationally determined contributions under Article 4. Although this information “should” be reported by the Parties, the reported climate action-related information shall be used as input for the global stocktake.
- The common reporting guideline should avoid the duplication of efforts and the

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<sup>19</sup> Target type, gas coverage, sector coverage, base year, target year, methodology and assumption, and etc. may be examples for specific components under general information of the NDC.

<sup>20</sup> For example, Parties with international market mechanism in their NDCs must report credit quantity by type and other relevant information to avoid double counting and ensure environmental integrity

imposition of undue burden on Parties through, for example, reporting this information only through the National Communications.

- The information to be communicated includes, but not limited to adaptation actions, undertakings or efforts, adaptation plans, impact and vulnerability, monitoring and evaluation, as well as building the resilience of socioeconomic and ecological systems.

#### **4. (Article 13.9) Information on financial, technology transfer and capacity-building support provided to developing country Parties under Article 9, 10, and 11**

- In our view, a common reporting guideline for the means of implementation (financial, technology transfer, and capacity-building support) should be developed in a balanced way.
- Considering the progress of work, there have been efforts related to financial support to define climate financing. Comparatively lively discussion on the MRV of financial support has been attributable to the role of the Standing Committee on Finance (SCF). The SCF was mandated to assist the Conference of the Parties (COP) with respect to MRV of the support provided to developing country parties<sup>21</sup> and the SCF is to serve the Paris Agreement<sup>22</sup>. And modalities for the accounting of financial resources provided and mobilized through public interventions are currently discussed under the SBSTA agenda item.
- We think that Parties need to make further efforts to also have more conversation on technology transfer and capacity building. There has not been apparently much discussion on technology transfer and capacity building support. Discussions on technology transfer and capacity building support needs to be initiated under the SBSTA or other occasions. Without it, it will be difficult for Parties to develop specific components of what to report and be reviewed.
- Therefore, in the following, we first suggest specific components for information related to support provided to developing country Parties under Article 9.

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<sup>21</sup> Para. 112, Decision 1/CP.16, Para. 121, Decision 2/CP.17

<sup>22</sup> Para. 63, Decision 1/CP.21

- a. Institutional arrangement
    - Legal background, governance including a competent authority (or focal point) responsible for the support, procedures of support provision etc
  - b. Progress of support provision
    - Specific components<sup>23</sup> should be included based on the outcome of other work stream related to paragraph 55~57 in decision 1/CP.21.
- In case of developing the specific components for technology transfer and capacity building support, we need to take ongoing discussion on financial support into account because a single reporting format<sup>24</sup> for the three means of implementation may help us to have a clear picture on the progress of the overall support provided by each Party.
  - For capacity building in particular, Parties should draw on the experiences from the existing reporting system including, inter alia, common tabular format of biennial report<sup>25</sup> and other ongoing relevant processes, for example, with regard to Paris Committee on Capacity Building.

**5. (Article 13.10) Information on financial, technology transfer and capacity-building support needed and received under Article 9, 10, and 11**

- Even though this information is a “should” reporting component under Article 13, the common reporting guideline should specifically guide beneficiaries to report their support needs in relation to the current gaps and challenges for the implementation of Article 13 and the building of transparency-related capacity.

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<sup>23</sup> Beneficiary (bilateral/multilateral), name, objective, status of support provision, brief description, year or period of support provision, providing entities (public/private), amount of support provision, expected effect of support provision may be examples for specific components under progress of support provision. And information stated in the common tabular format in the biennial reports can be utilized to develop the specific components.

<sup>24</sup> Information on the financial support provided can be reported on a monetary basis. On the other hand, information on technology transfer and capacity building support provided can be reported on a monetary basis or on a different measurement basis

<sup>25</sup> Decision 19/CP.18

- Also, the common reporting guideline should inform and help beneficiaries monitor the effect of support received and maybe at a later stage, share lessons learned with other Parties.
  
- As mentioned in Section 4 above, we first suggest the following specific components for information related to support needs and received under Article 9 only.
  - a. Institutional arrangement
    - Legal background, governance including a competent authority (or focal point) responsible for the support
  - b. Progress of support received
    - Specific components should be developed in consideration with specific components for progress of support provided
  - c. Support needs
    - Objective, sector, brief description, year or period of support needs, amount of support needs

## **Annex B**

### **MPGs for Technical Expert Review**

The common MPGs for technical expert review (TER) must be developed in consideration of financial, administrative, and human resources (a number of technical experts) of the secretariat and Parties. In the following, we present our views on the common modality and procedure and suggested specific components needed in the common guideline for the TER.

#### **Modality**

- The TER should be conducted in a facilitative, non-intrusive, non-punitive manner, respectful of national sovereignty, but based on the TACCC principle.
- The options of form of the TER are desk review, in-country review, and centralized review. Considering the cost, we support utilizing online desk reviews through internet and telecommunication tools in general.
- Reviewers with deep knowledge and experiences on greenhouse gases inventory and modeling analysis should be recommended objectively and transparently by the Secretariat.
- The TER should be operated under the secretariat's administration.
- Summary report for each Party should be prepared by the reviewers and published on the UNFCCC website.

#### **Procedure**

- Summary report of the TER, including comments on the areas to be improved, must be published 12 months prior to the subsequent report, recognizing and providing the sufficient preparation period for the next cycle. (translation into one of the UN languages takes a few months)
- The procedure between the submission of the biennial report by the Parties and the publication of the summary report by the reviewers must be completed within 12 months to maintain the biennial reporting cycle.

## Guideline

- a. General description of objective, modalities, procedures of the TER
- b. Target, scope, and level of detail of the TER
  - National inventory report
  - Information necessary to track progress made in implementing and achieving its nationally determined contribution under Article 4
  - Information related to climate change impacts and adaptation under Article 7 *(flexibility) Not to be reviewed*
  - Information on financial, technology transfer and capacity-building support provided for developing country Parties under Article 9, 10, and 11 *(flexibility) Not to be technically reviewed in case of other Parties stated in Article 13.9*
  - Information on financial, technology transfer and capacity-building support needed and received under Article 9, 10, and 11 *(flexibility) Not to be reviewed*
- c. Role of the reviewers
- d. Role of the respondents
- e. Common table of contents and format for the summary report

## **Annex C**

### **MPGs for Facilitative, Multilateral Consideration**

The common MPGs for the facilitative, multilateral consideration (FMC) must be developed in consideration of financial and administrative resources of the secretariat and Parties and time resources during the subsidiary body meeting. In the following, we present our views on the common modality and procedure and suggested specific components needed in the common guideline for the FMC.

#### **Modality**

- The FMC should be conducted in a facilitative, non-intrusive, non-punitive manner, respectful of national sovereignty.
- The FMC may consist of an online Q&A session and an oral presentation with a Q&A workshop session. However, we need to invent a more efficient and effective way to conduct the FMC considering the biennial reporting cycle after the common reporting components are determined.
- The FMC should be operated under the secretariat's administration.
- Summary report for the whole FMC should be prepared by the secretariat and published on the UNFCCC website.

#### **Procedure**

- Summary report of the whole FMC must be published six months prior to the subsequent report, recognizing and providing the sufficient preparation period for the next cycle. (translation into one of the UN languages takes a few months)
- The procedure between the submission of the report by the Parties and the publication of the summary report must be completed within 18 months to maintain the biennial reporting cycle.

#### **Guideline**

- a. General description of objective, modalities, procedures of the FMC
- b. Target, scope, and level of detail of the FMC
  - National inventory report
  - Information necessary to track progress made in implementing and achieving its nationally determined contribution under Article 4
  - Information related to climate change impacts and adaptation under Article 7 *(flexibility) Not to be multilaterally considered*
  - Information on financial, technology transfer and capacity-building support provided for developing country Parties under Article 9, 10, and 11 *(flexibility) Not to be multilaterally considered in case of other Parties stated in Article 13.9*
  - Information on financial, technology transfer and capacity-building support needed and received under Article 9, 10, and 11 *(flexibility) Not to be multilaterally considered.*
- c. Role of the responding Parties during the online Q&A session and an oral presentation with a Q&A workshop session.
- d. Role of the participating Parties during the FMC
- e. Common table of contents and format for the questionnaires/answer sheets

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