

Submission by the Federal Democratic Republic of Ethiopia on behalf of the LDC Group on APA agenda item 5

Modalities, procedures and guidelines for the enhanced transparency framework for action and support referred to in Article 13 of the Paris Agreement

The LDC Group welcomes the opportunity to make a submission on its views on Modalities, procedures and guidelines (MPGs) for the transparency framework for action and support referred to in Article 13 of the Paris Agreement.

1 OVERARCHING CONSIDERATIONS AND GUIDING PRINCIPLES

1.1 OBJECTIVES

The enhanced transparency framework under Article 13 is the backbone of the Paris Agreement and its built-in system to raise ambition. The purpose, in line with articles 13.5 and 13.6, is to provide a clear and shared understanding of climate change action and clarity on support provided and received by relevant individual Parties in the context of climate change actions. This information needs to allow us to gauge individual progress by each Party but also allow the reliable aggregation of information to gauge collective progress towards achieving the overarching goals of the Paris Agreement through the global stocktake process under Article 14.

It needs to build the mutual trust and confidence necessary among Parties to promote effective implementation of action, support and cooperation by all Parties.

1.2 GUIDING PRINCIPLES

The transparency framework needs to be guided by key principles recognised in Article 13 of the Paris Agreement and relevant paragraphs of Decision 1/CP.21. In doing so, the overall operation of the enhanced transparency framework should not create an undue burden on Parties, in particular on the least developed countries (LDCs) and Small Island Developing States (SIDS), and provide flexibility in the implementation of the provisions of Article 13 to developing country Parties that need it, in light of their capacities.

The framework should aim to facilitate continuous improvement over time with respect to the quality, coverage, scope and level of detail of information reported, and discourage backsliding in reporting by Parties. It should be implemented in a facilitative, non-intrusive, non-punitive manner that is respectful of national sovereignty and yet ensure accountability by all Parties for their actions to address climate change and its impacts .

For the enhanced transparency framework to be fit for purpose it needs to ensure that Parties provide transparent, accurate, complete, consistent and comparable information. It also needs to ensure that all Parties are able to report to the best of their abilities, in order to have clarity

around Parties' actions and progress towards implementing and achieving their individual contributions, covering all aspects related to the implementation of the Paris Agreement.

1.3 STRUCTURE/DESIGN OF THE MODALITIES, PROCEDURES AND GUIDELINES MPGs

The MPGs must ensure that information provided is reliable enough to track progress overtime in the implementation and achievement of individual contributions covering both action and support. The MPGs for the transparency framework should also be designed to facilitate continuous improvement over time, with respect to the quality, coverage, scope and level of detail of information reported by Parties, how well information can be aggregated over space and time, and in the operation of the framework as a whole.

1.4 INTERLINKAGES WITH OTHER TRANSPARENCY RELATED ITEMS

There are linkages between the MPGs developed under the transparency framework and the ongoing work on other agenda item of the APA and subsidiary bodies.

The provisions under the Paris Agreement provide a clear and direct link between the transparency framework and the global stocktake process. Information from both the reporting and review aspects of the transparency framework needs to be considered. Information provided by Parties through reporting and the outcomes of the Technical Expert Review and Facilitative Multilateral Consideration of Progress need to be in a format that can feed directly into the global stocktake process. Therefore, it is important that information from these sources can be aggregated to provide a useful picture of overall progress towards achieving the objectives of the Paris Agreement. The review process under the transparency framework needs to be designed with this in mind. For example, reports or findings following the Technical Expert Review or the Facilitative Multilateral Consideration of Progress should highlight where information provided by Parties through reporting is less reliable for the purposes of providing a global picture of action or support, e.g. in cases of incompleteness of information.

Together with the ongoing work on other APA agenda items, such as agreeing on features, information and accounting for Parties' NDCs, vehicle of adaptation communication, the ongoing work of SBSTA on matters relating to Article 6 of the Paris Agreement and on modalities for accounting of financial resources provided and mobilized, and the work being undertaken by all relevant constituted bodies need to be considered while developing the MPGs of the transparency framework to avoid duplication of work.

1.5 BUILDING ON AND ENHANCING THE TRANSPARENCY ARRANGEMENTS UNDER THE CONVENTION

There are many lessons to be learned from existing transparency arrangements under the Convention, which provide the basis for the development of MPGs for the enhanced transparency framework. The MPGs for the enhanced transparency framework should also draw upon additional provisions under the Paris Agreement, including the process related to global stocktake, NDC cycle, reporting on adaptation and on support needed and received, the Article 15 mechanism and flexibility in light of countries capacities.

With respect to adaptation efforts, the Paris Agreement gives Parties some flexibility in how Parties communicate their adaptation-related information. National Adaptation Plans (NAPs) are the main vehicle for communicating adaptation priorities, needs, gaps and action in LDCs.

Therefore, the transparency framework needs to ensure that the review or recognition of adaptation-related information does not prejudice one vehicle of communication over any other.

1.6 FLEXIBILITY TO THOSE DEVELOPING COUNTRIES THAT NEED IT IN THE LIGHT OF THEIR CAPACITIES

The principles recognized in the preamble of the Paris Agreement, should be manifested primarily in flexibility, in a variety of forms, in the transparency framework. According to the Paris Agreement, flexibility will be “built-in” to the transparency framework and “capacity” will be an important consideration. Clarity is still needed on these important terms. Flexibility needs to be operationalised in a way that enables the highest reliability of information in reporting and rigour in review relative to a Party’s national capacity, however, it should not limit the effectiveness of the transparency framework. Flexibility could be integrated into the guidelines for reporting, for example, with options in the scope, level of detail or frequency of reporting, and/or through the modalities and procedures of the Technical Expert Review and Facilitative Multilateral Consideration of Progress, for example with options or discretion in the scope/focus of the review, frequency or stringency of the review.

1.7 FACILITATING IMPROVED REPORTING AND TRANSPARENCY OVER TIME

Improved reporting and transparency should happen over time and could take longer for Parties with the limited capacities. This could be implemented in a phased approach over the first two or three 5-year NDC cycles. It must also be coordinated with the approach to building transparency-related capacity, which could take time in LDCs and SIDS in particular. The Capacity Building Initiative for Transparency (CBIT) should provide support to developing countries in improving their reporting capabilities by providing continuous financial and technical support that helps develop domestic capabilities for reporting. It is also important to ensure that Parties that need support to access CBIT support itself is taken into account, and in particular for LDCs and SIDS. It is also important to identify and address capacity building needs of developing countries to ensure consistency and comparability in reporting among Parties and improve reporting on action and support required overtime.

1.8 AVOIDING DUPLICATION AS WELL AS UNDUE BURDEN ON PARTIES AND THE SECRETARIAT

Existing communications and procedures should be adapted to accommodate the different types of contributions under the Paris Agreement, avoiding duplication of effort, including the need to build capacity for new processes in developing countries, in particular in LDCs and SIDS. Elaborating the core elements of information needed for an enhanced transparency framework will allow Parties to report in a way that meets requirements under the Paris Agreement. This must be balanced with the additional effort required by reviewers to assess a variety of types of information in a variety of communication vehicles.

1.9 PROCEDURAL ASPECTS

As per paragraph 98 of 1/CP.21 the MPGs of the new transparency framework will be built upon and eventually supersede the existing measurement, reporting and verification (MRV) system immediately following the submission of the final biennial reports (BRs) and biennial update reports (BURs). It is therefore important to decide on the timeline for the submission of

final BRs and BURs and other existing reporting requirements to transition to the enhanced transparency framework under the Paris Agreement.

2 NATIONAL INVENTORY REPORT ON ANTHROPOGENIC EMISSIONS BY SOURCES AND REMOVALS BY SINKS OF GREENHOUSE GASES

The inventory shall indicate how the Party considers its NDC is fair and ambitious, in light of national circumstances, as well as reflecting Article 4.4 and 4.6, and how it contributes toward achieving the objective of the Convention, as set out in Article 2 as well as Article 2 of Paris Agreement.

The timing should not be less frequent than on a biennial-basis, as defined in paragraph 90 of 1/CP.21. In order to avoid duplication and undue burden, uniform time-scales for measurement across all reporting requirements under the Paris Agreement should be ensured.

For LDCs and SIDS, capacity building support through CBIT and other relevant agencies would be required for the collection and continuity of inventory data.

All Parties should use common sectors or source categories, metrics, in line with latest IPCC Guidelines, to enable aggregation of information. Accounting for greenhouse gas (GHG) emissions and removals shall be done in accordance with 2006 IPCC Guidelines and any subsequent guidance agreed by the CMA. Challenges Parties have experienced with their use of the latest IPCC Guidelines should be identified.

Each Party shall prepare a national inventory, and shall complete a national inventory for each year subsequent to the year nominated as the reference or base year for the NDC. The inventory shall include an estimate of GHG emissions in carbon dioxide equivalent in sectors nominated in the NDC for the reference point (including, as appropriate, a base year) and every subsequent year. The inventory must maintain transparency, completeness, consistency, comparability and accuracy.

The inventory shall be kept in a national registry, and shall account for any transfer within the country or from one Party to another in accordance with agreed rules for the application of Article 6.2 or Article 6.4 of the Paris Agreement.

3 INFORMATION NECESSARY TO TRACK PROGRESS MADE IN IMPLEMENTING AND ACHIEVING ITS NDC UNDER ARTICLE 4 OF THE PARIS AGREEMENT

In accordance with paragraph 27 of decision 1/CP.21, in order to facilitate clarity, transparency and understanding, the information to be provided by Parties when communicating their NDCs, may include, as appropriate, *inter alia*,

- Quantifiable information on the reference point (including, as appropriate, a base year);
- Time frames and/or periods for implementation;
- Scope and coverage;
- Planning processes;
- Assumptions and methodological approaches, including those for estimating and accounting for anthropogenic GHG emissions and, as appropriate, anthropogenic removals; and

- Clarifications on how the Party considers that its NDCs is fair and ambitious, in the light of its national circumstances, and how it contributes towards achieving the objective of the Convention as set out in its Article 2.

It should be noted that the Paris Agreement provides flexibility for LDCs and SIDS to submit strategies, plans and actions for low GHG emissions development reflecting their special circumstances.

The framework should focus on individual Party actions, enabling the identification of country successes and challenges in meeting the objectives of NDCs, and facilitating advice and knowledge sharing amongst Parties. Guidance on features should respect Parties' common but differentiated responsibilities and respective capabilities in the light of different national circumstances, while ensuring that sufficient information is provided to support aggregation and the tracking of progress. There is some common information needed to track progress towards the various NDCs.

MPGs for reporting shall ensure comparability across reports, including the use of a common tabular format for GHG emission reductions and for transparency of support. A uniform reporting format for NDCs is essential to give clarity, transparency and understanding (CTU) of NDCs, and enable the aggregation of NDCs; this will enable an understanding of the effect of NDCs in achieving the goal of the Paris Agreement. Information should allow the projection of future emission levels, so that the Parties can take stock of the aggregate effect of both planned and implemented mitigation efforts toward achieving the goals of the Paris Agreement.

4 INFORMATION RELATED TO CLIMATE CHANGE IMPACTS AND ADAPTATION UNDER ARTICLE 7 OF THE PARIS AGREEMENT, AS APPROPRIATE

Information related to climate change impacts and adaptation under Article 7 of the Paris Agreement is an important tool for countries to communicate their adaptation needs and priorities, plans and actions, indicative levels of support required for developing countries, including good practices and lessons learned. This information will also assist countries in raising and mobilizing adequate support for implementation of adaptation actions based on developing countries' adaptation needs.

- Information from developed countries should include means of implementation (including finance, technology transfer and capacity building) provided to meet adaptation needs. Developed country Parties should biennially communicate indicative quantitative and qualitative information on the projected levels of public financial resources to be provided to developing country Parties as per Article 9.5 of the Paris Agreement.
- Information from developing countries should also include means of implementation (including finance, technology transfer and capacity building) needed and the support obtained in support of adaptation action. Developing countries should communicate their needs, including on capacity-building, technology development and transfer, and finance, along with associated costs for adaptation. Developing countries should communicate their needs, including on capacity-building, technology development and transfer and finance, along with associated costs for adaptation.

Under common elements, countries should communicate current and future impacts, vulnerability and risk assessments, along with national circumstances (including how climate risks impede sustainable development), and institutional arrangements. Building on their vulnerability assessments and national development plans and actions, countries should indicate their adaptation priorities, including prioritized sectors, associated costs and geographies in their adaptation communications.

It should be recognized that most developing countries, particularly LDCs, may not have the capacity to present detailed costs required to meet their adaptation needs. In order to ensure that there is no gap of information from LDCs in this regard, the LDC Expert Group could be mandated to present approximate figures and other requirements. These practical realities and capacity constraints should not prevent support reaching the most vulnerable and those with the least capacity.

Adaptation communications should also recognize the adaptation efforts of developing countries, and will enhance sharing of experiences and lesson learned. This will bring good adaptation practices to light while recognizing the adaptation efforts of developing countries.

The ongoing discussion under the APA agenda item 4 provides the basis for clarifying the general guidance applicable to all vehicles, as per Article 7.11 of the Paris Agreement. NAPs for LDCs provide a strong basis to present medium- and long-term adaptation needs, that helps to reducing vulnerability and facilitate integration of adaptation into development processes. As of now, progress has been made in developing overall framing, technical guidelines, financial and technical support, reporting, communication of NAP documents and submission of relevant outputs through NAP Central. Therefore, information for the transparency framework related to the impacts of climate change and adaptation should not be limited only to NDCs or any specific vehicle, respecting the flexibility provided by the Paris Agreement.

5 INFORMATION ON FINANCE, TECHNOLOGY TRANSFER AND CAPACITY-BUILDING SUPPORT PROVIDED UNDER ARTICLE 9.11 OF THE PARIS AGREEMENT

5.1 OBJECTIVES AND PRINCIPLES

The MPGs for the provision of information on financial support provided and mobilised should be common to all Parties that provide support, but should give flexibility to the Parties who are doing so on a voluntary basis, in terms of frequency of reporting and/or level of detail, etc.

The LDC Group believes that Parties need to agree on a definition of climate finance, which reflects the need for climate finance provided to be new and additional to development aid. The absence of a common working definition for climate finance remains one of the key issues affecting the reporting, accounting and assessment of financial flows. Agreeing on a definition of climate finance would help generate mutual trust and confidence among Parties and enable an enhanced framework for transparency of support provided and needed.

The definition should reflect support for a pathway towards low GHG emissions and climate resilient development, consistent with Article 2.1© of the Paris Agreement. It can build on the operational definition proposed by the Standing Committee on Finance in its first Biennial Assessment Report of 2014: “Climate finance aims at reducing emissions, and enhancing sinks of greenhouse gases and aims at reducing vulnerability of, and maintaining and increasing the

resilience of, human and ecological systems to negative climate change impacts.” However, in addition to specifying that climate finance should be new and additional to official development assistance (ODA), the definition should clarify what counts as, and should be reported as, climate finance. This includes what counts towards the provision of public finance versus private finance mobilized through public interventions.

The LDC Group believes that Parties’ information should reflect the principle that support must be provided based on developing country needs and priorities, and in line with country-driven strategies and plans, including (but not limited to) NDCs, NAPs, NAPAs, adaptation planning processes, and TNAs.

Furthermore, Parties should agree on a common cycle for reporting under the enhanced transparency framework, with no gap in Parties’ reporting to ensure that no information is lost or double-counted.

Support for adaptation and for mitigation should be clearly demarcated, recognising that some supported activities may be cross-cutting. Support should also be reported in terms of grant-equivalents.

Consistent with reference under Article 13.5 on reporting of good practices, priorities, needs and gaps, to inform the global stocktake under Article 14, and Article 13.9 and 13.10 on financial, technology transfer and capacity-building support provided, needed and received, information on the activities undertaken to build cooperation and facilitate enhance understanding, action and support, with respect to loss and damage under Article 8.3 and specifically in relation to the sub-elements described in Article 8.4, should be provided on a regular basis.

Finally, the Group believes that clear guidelines and reporting on support provided will lead to more enhanced reporting on support received.

5.2 NATIONAL CIRCUMSTANCES AND INSTITUTIONAL ARRANGEMENTS

5.2.1 Plans and strategies

In order to enhance predictability of climate finance flows, developed country Parties should include their plans and strategies on how to scale-up their climate finance support to developing countries in the report. This should build from the biennial submission by developed country Parties on their strategies and approaches for scaling-up climate finance (which will end in 2020).

5.3 UNDERLYING ASSUMPTIONS, DEFINITIONS AND METHODOLOGIES

The accounting modality should include definitions, common formats and methodologies to be used when counting financial flows as climate finance.

As mentioned above, the Group believes that a common operational definition for climate finance, that reflects that finance for climate change must be new and additional to development finance, and not replace or divert ODA, and the provision of public versus private financial resources, is integral to the MPGs for an enhanced transparency framework on support provided and received.

Clear guidelines and methodologies for accounting for support for mitigation activities and support for adaptation activities, as well as how to calculate grant-equivalents, should be agreed on and included in the MPGs. At a minimum, clarity around how it is attributed is essential.

5.4 INFORMATION ON FINANCIAL SUPPORT PROVIDED AND MOBILISED UNDER ARTICLE 9 BY DEVELOPED COUNTRY PARTIES (TO BE CONSISTENT WITH THE MODALITIES FOR THE ACCOUNTING OF FINANCIAL RESOURCES PROVIDED UNDER 1/CP21, PARA 57)

The LDC Group believes that this discussion is and should take place under SBSTA, under the agenda item on Modalities for the accounting of financial resources provided and mobilised through public interventions, in accordance with Article 9.7 of the Paris Agreement. To ensure coherence and avoid duplication, all discussions on MPGs for information on financial support provided and mobilised by developed country Parties and other Parties must happen under SBSTA. It is important to have ongoing coordination between SBSTA and APA in advancing this discussion. The outcome of the SBSTA discussions must be fully reflected in the outcome of the APA discussions on the MPGs for the enhanced transparency framework for action and support under the Paris Agreement.

However, in the event discussions take place under the APA, the LDC Group submission of 29 August 2016 to SBSTA and all subsequent submissions from the Group to the SBSTA on this item should be duly considered by the APA.

5.5 INFORMATION ON FINANCIAL SUPPORT PROVIDED UNDER ARTICLE 9 BY DEVELOPED COUNTRY PARTIES TO DEVELOPING COUNTRY PARTIES

Quantitative information on public financial resources provided must be included. This should be clearly separated from quantitative information on private financial resources mobilised through public interventions (to be provided below), with no overlap or double counting.

We believe that the new MPGs for reporting and accounting for support provided and received need to build upon, but go beyond, the existing modalities for national reporting processes (including NatComms, BRs, and Biennial submissions by developed country Parties on their strategies and approaches for scaling up climate finance from 2014 to 2020). The LDC Group is concerned about the lack of detail and consistency of the information provided under the current reporting systems, which makes comparing and tracking the provision of financial resources more challenging.

Enhancing these processes requires:

- The use of a common definition and methodology for what should be counted as climate finance, stressing that climate finance should be new and additional to, and not double counted as or diverted from development finance - as reflected in the principles and/or underlying assumptions;
- Agreeing on modalities that clarify what should be counted as public provision of financial resources (vs private finance mobilised through public interventions);
- Revising the common tabular formats of BRs accordingly, including by requiring details around whether support provided is 'climate-specific', 'core/general',

committed or disbursed ('status'), as well as 'source of finance', 'financial instrument' used (noting that the information will have been provided in grant-equivalent), 'type of support' provided (details around whether support has been provided primarily for mitigation outcomes or adaptation outcomes) and 'sector'. In addition, information on the channel used (e.g. bilateral, GCF, GEF, LDCF, AF) should be required. If reporting on finance channelled through multilateral development banks or other multilateral institutions, only the resources provided for specific climate related activities should be reported and accounted for;

- Agreeing on common methodologies for the above information, in particular what constitutes 'climate-specific' activities, 'type of support' (adaptation, mitigation, cross-cutting, institutional and individual capacity building), technology (specifying whether support is for adaptation/mitigation, soft/hard), and 'status'.

5.5.1 Information on financial support mobilised under Article 9 by developed country Parties to developing country Parties

Developed country Parties should provide quantitative information on private financial flows leveraged by public interventions. This quantitative information should be reported in grant equivalent. Modalities to clarify how this is reported and accounted should be agreed. This data should be different from 'quantitative information on finance provided' (above).

The same level of detail required for 'information on public finance provided' (above) should be expected here, including around whether mobilised resources are 'climate-specific', 'core/general', committed or disbursed ('status'), as well as 'source of finance', 'financial instrument' used (noting that the information will have been provided in grant-equivalent), 'type of support' provided, and 'sector'.

In addition, developed country Parties should report on the policies and measures that promote the scaling up of private investment for adaptation and mitigation.

5.6 INFORMATION ON FINANCIAL SUPPORT PROVIDED AND MOBILISED UNDER ARTICLE 9 BY OTHER PARTIES THAT PROVIDE SUPPORT TO DEVELOPING COUNTRIES, ON A VOLUNTARY BASIS (TO BE CONSISTENT WITH THE MODALITIES FOR THE ACCOUNTING OF FINANCIAL RESOURCES PROVIDED UNDER 1/CP.21, PARA 57)

5.6.1 Information on financial support provided under Article 9 by other Parties that provide support to developing country Parties, on a voluntary basis

The LDC Group believes that these Parties, in providing information, are encouraged to use the same guidelines, methodologies, metrics, and timeframes as above, to the extent possible and as appropriate. While the Group acknowledges and appreciates that this information and the support provided by other Parties is done on a voluntary basis and that some Parties may not have the capacity to provide the same level of detail, we believe that doing so, where possible, would enable more robust input from the enhanced transparency framework into the Global Stocktake.

5.6.2 Information on financial support mobilised under Article 9 by other Parties that provide support to developing country Parties, on a voluntary basis

The LDC Group believes that these Parties are encouraged to provide quantitative information on private financial flows leveraged by public interventions, using the same format and providing the same level of detail to the extent possible (recognising this is not mandatory). This data should be separate from what is provided as ‘quantitative information on finance provided’ (above).

In addition, they may report on the policies and measures that promote the scaling up of private investment for adaptation and mitigation.

5.7 INFORMATION ON TECHNOLOGY DEVELOPMENT AND TRANSFER AND CAPACITY BUILDING SUPPORT PROVIDED UNDER ARTICLE 10 AND 11 BY DEVELOPED COUNTRY PARTIES TO DEVELOPING COUNTRY PARTIES;

Developed countries should provide the following information on support provided for technology development and transfer. The information on technology transfer support provided should be primarily quantitative in nature.

Information should include:

- Earmarked funding for the CTCN, TEC and PCCB, including work of the LDC Expert Group;
- Activities that promote: developing indigenous technologies; accelerating, encouraging and enabling innovation; undertaking research, development and deployment; facilitating simplified access to technology, in particular for early stages of the technology cycle; and building research capacity for the development of technologies;
- Capacity building support, including technical assistance, trainings and any other form of capacity building related activities;
- The information provided should indicate if these activities furthered:
 - Technology for adaptation or mitigation with the view of achieving a balance between support for mitigation and adaptation, or if it was cross-cutting;
 - Support provided on technology for adaptation or mitigation, types of activities such as hard or soft technology transfer and the channel used for such support;
- Technology and capacity building needs and support received to implement activities in line with Article 8.4; and
- Technologies and capacity building for the development and implementation of comprehensive risk assessments.

The goals of the periodic assessment of the Technology Mechanism in relation to supporting the implementation of the Paris Agreement are directly related to that of the transparency framework. The assessment of the adequacy of support provided to the Technology Mechanism should be jointly developed with the transparency framework, if not directly linked. The information on technology transfer support provided should be primarily quantitative in nature.

5.8 INFORMATION ON TECHNOLOGY DEVELOPMENT AND TRANSFER AND CAPACITY BUILDING SUPPORT PROVIDED UNDER ARTICLE 10 AND 11 BY OTHER PARTIES THAT PROVIDE SUPPORT TO DEVELOPING COUNTRY PARTIES, ON A VOLUNTARY BASIS

The LDC Group believes that these Parties, in providing information, should use the same guidelines as above, to the extent possible and as appropriate. While the Group acknowledges and appreciates that information and support provided by other Parties will be done on a voluntary basis and that some Parties may not have the capacity to provide the same level of detail, we believe that doing so, where possible, would enable more robust input from the enhanced transparency framework into the Global Stocktake.

6 INFORMATION ON FINANCIAL, TECHNOLOGY TRANSFER AND CAPACITY-BUILDING SUPPORT NEEDED AND RECEIVED UNDER ARTICLES 9.11 OF THE PARIS AGREEMENT

6.1 OBJECTIVES AND PRINCIPLES

The MPGs for the provision of information on financial support needed and received should be common to all Parties that are recipients of support, but should give flexibility to LDCs and SIDS in accordance with Article 13 of the Paris Agreement, in terms of level of detail and frequency of reporting by these Parties.

Transparency of support should include qualitative and quantitative information on support provided and mobilised through public interventions and on support needed and received. Support reported under this framework will include support for developing country Parties in implementing the actions outlined in the framework for transparency of action, implementing the transparency framework and building transparency-related capacity.

The same principle guiding the need for an agreed, operational definition for climate finance would apply here. As mentioned above, the definition would clarify what counts as climate finance and what should be reported as climate finance received. As LDCs, poverty eradication and sustainable socioeconomic development are utmost priorities, climate change puts a heavy strain on our development progress and can reverse important gains. It is therefore of utmost importance that finance for climate change be additional and separate to development finance and not diverted from ODA flows.

The principle of needs-based support, i.e. that support be provided on the basis of developing country needs and priorities and support actions that are in line with country-driven strategies and plans, including (but not limited to) NDCs, NAPs, NAPAs, adaptation planning processes, and TNAs, should be reiterated here. This is to highlight that the extent to which developing countries' needs are reported in a manner that is clear, consistent and coherent will enhance the provision of needs-based financial support provided by developed country Parties and others doing so on a voluntary basis, as well as highlight funding/sectoral gaps.

Consistent with the points raised earlier, support needed and received for adaptation and for mitigation should be clearly demarcated, recognising that some activities can be cross-cutting.

Support needed and received should also be reported in terms of grant-equivalents to the extent possible (Parties should agree on a methodology to calculate grant-equivalents).

6.2 NATIONAL CIRCUMSTANCES AND INSTITUTIONAL ARRANGEMENTS

6.2.1 *Priorities and country-driven strategies*

Developing country Parties have national climate strategies and plans, including but not limited to NDCs, NAPs, NAPAs, other adaptation planning processes, and TNAs, which set out priority actions and needs. Support provided to these countries should match these. Developing country Parties must drive the formulation and implementation of their own plans and strategies.

6.3 UNDERLYING ASSUMPTIONS, DEFINITIONS, METHODOLOGIES

The points raised in the ‘principles’ section apply here.

6.4 INFORMATION ON FINANCIAL SUPPORT NEEDED BY DEVELOPING COUNTRY PARTIES

Information on financial support needed should:

- Be based on NDCs, adaptation communications (including NAPs, NAPAs and Adaptation component of NDCs), and any other plans/programmes/projects that support low emission development strategies.
- Name and/or description of need: need to undertake the developing country Parties’ climate change plans and strategies, including support for adaptation, mitigation, technology and capacity building;
- Amount of support needed: in quantitative terms, to the extent possible, recognising that this will enhance the ability to compare against support received. Parties must recognise that not all countries have the capacity to cost their financial needs, for instance in their NDCs, therefore support should be provided for developing country Parties to undertake this task;
- Type of support needed: Needs of financial, capacity, technology and other support in quantitative and qualitative terms; and
- Expected timeframe of support needed: The timeframe used should be the same for everyone – e.g. the same time frame as NDC cycles, in order to enable comparison against support received. This cycle can be agreed later. However, it should be recognised that some developing country Parties with limited capacity will face challenges to do this, and support and flexibility should be given to those Parties.

6.5 INFORMATION ON FINANCIAL SUPPORT RECEIVED BY DEVELOPING COUNTRY PARTIES

Information on financial support received should be quantitative. Clear guidelines and reporting on support provided will lead to enhanced reporting on support received.

Information should include:

- Type of support received: financial support in quantitative terms, grant-equivalents if possible (using the agreed methodology to calculate grant-equivalents), so that information can be more easily compared with the reporting of finance provided and mobilized;
- Funding country or channel of support received: whether support is received from a country/ies (bilaterally), multilateral funds, multilateral development banks, or the private sector;

- Objective and descriptive information on supported actions: support received for adaptation and/or mitigation activities;
- Instrument of support received: grants, loans, guarantees, equity, etc. (noting that the amount of financial support received should be reported in grant equivalent to the extent possible);
- Domestic implementing institutions of support received: support received directly through national climate funds/accredited entities to the GCF/AF, international/intermediary entities including UN agencies or development banks, etc.;
- Status of support received: approved (total amount expected) and disbursed (amount received at the time of reporting). Support received should not be reported on again at the next cycle; and
- Expected timeframe of support needed: As outlined in the section on information on support needed (above) the timeframe used should be the same for everyone – e.g. the same time frame as NDC cycles, in order to enable comparison against support received. This cycle can be agreed later. However, it should be recognised that some developing country Parties with limited capacity will face challenges to do this, and support and flexibility should be given to those Parties.

6.6 INFORMATION ON TECHNOLOGY DEVELOPMENT AND TRANSFER SUPPORT NEEDED BY DEVELOPING COUNTRY PARTIES UNDER ARTICLE 10

The TNA and TAPs process should be the primary vehicle for identifying information on technology development and transfer support needed. The LDC Group notes with concern that funding has not been made available for all LDCs to undertake a TNA and TAP, and that some TNAs will need to be refreshed in the coming years.

7 TECHNICAL EXPERT REVIEW (TER)

7.1 OBJECTIVES, FUNCTIONS AND PURPOSES

The TER should contribute to an increase in the quality of reporting, help identify areas for improvement and support continuous improvement by sharing good practices and lesson learned. The objectives of the TER should be to:

- Review the consistency of information with the MPGs of reporting;
- Identify areas of improvement for Parties and assistance in identifying capacity-building needs;
- Track progress in implementation;
- With regards to transparency of action, provide a clear understanding of climate change action in the light of the objective of the Convention as set out in Article 2 (Article 13.5 of the Paris Agreement);
- With regards to transparency of support, provide clarity on support provided and received by relevant individual Parties (Article 13.6);
- Focus on individual Party actions, enabling the identification of country successes and challenges in meeting the objectives of NDCs (previous group submission);
- Facilitate advice and knowledge sharing amongst Parties (previous group submission); and

- Be fit for purpose so that its outputs feed into mechanism under the Article 15 and act as a source of input to global stocktake (and therefore focus on all thematic areas of the Paris Agreement).
- Have the ability to refer matters to the committee established under Article 15.

7.1.1 Principles

The TER should be conducted in facilitative, non-intrusive, non-punitive manner, respectful of national sovereignty, and avoid placing undue burden on Parties (Article 13.3). The TER should pay particular attention to the respective national capabilities and circumstances of developing country Parties (Article 13.12)

The TER should facilitate improved reporting over time; promote transparency, accuracy, completeness, consistency and comparability; and avoid duplication and undue burden (paragraph 92, Decision 1/CP.21).

7.2 SCOPE

The scope of the TER should build on the International Assessment and Review (IAR) and International Consultation and Analysis (ICA) processes, while recognising that the framework for transparency is to support the Global Stocktake, and therefore must focus on all thematic areas of the Paris Agreement, including mitigation, adaptation, loss and damage, finance, technology development and transfer, and capacity building. Therefore, MPGs for review under the Paris Agreement framework for transparency must be more holistic than those for the IAR and ICA processes.

7.3 INFORMATION TO BE REVIEWED

Information to be provided as part of the TER should include support provided, where applicable. It should also include implementation and achievement of NDCs, and therefore encompass all elements of the Paris Agreement to the extent they are included in NDCs. The review process should be used to identify barriers to implementation of NDCs as a whole, as well as Article 13 explicitly (previous group submission). The information to be reviewed should also include information on climate change impacts and adaptation and other thematic areas (where not already included in NDCs) to the extent relevant.

7.4 FORMAT AND STEPS, INCLUDING THOSE RELATED TO SPECIFIC TYPES OF INFORMATION REPORTED AND UNDER ARTICLE 13, THE ROLE OF PARTIES, AND THE ROLES AND RESPONSIBILITIES OF THE TER TEAM AND THE SECRETARIAT

The TER process should build on the IAR for developed country Parties and ICA for developing country Parties. The steps for the TER should be:

- Parties submit relevant information under Article 13;
- The TER team performs a technical analysis within 6 months of receiving the relevant information from parties. The technical analysis should include in-country reviews of all developed country Parties to avoid backsliding, and optional in-country reviews for LDCs and SIDS (as per paragraph 89 of Decision 1/CP.21). Conducting reviews on a group basis for LDCs and SIDS may enable adequate collection of data without imposing an undue burden on individual countries. In addition to in-country reviews, the technical analysis should also include a desk review;

- The TER team releases draft review reports (3 months after the technical review);
- Parties respond to the draft review reports before their release (within 3 months of receiving them); and
- Amendments are made to the draft reports, and the reports are released.

All relevant documentation is to be made publicly available in a registry with capacity for other Parties and non-Party stakeholders to provide written feedback, including advice and technical support, in a facilitative manner.

7.5 COMPOSITION OF THE TECHNICAL EXPERT REVIEW TEAM

Potential members of the Technical Expert Team should be nominated by Parties and non-Party stakeholders to the CMA. Criteria for selection of the Technical Expert Team should include:

- The nominee's relevant and appropriate experience in their personal capacity;
- Competence and expertise;
- Geographical diversity, to ensure a balanced representation of geographical regions, as well as developed and developing countries; and
- Consideration should be made to achieving a fair gender balance amongst expert reviewers.

The LDC Group also believes the Technical Expert Team will be enriched by the participation of non-party stakeholders as expert reviewers in helping to ensure a wide range of experience and technical expertise is represented.

7.6 FREQUENCY AND TIMING

The frequency of reporting should complement frequency of review, such that the TER should occur when a report has been submitted. Therefore, the TER should occur at least every two years unless flexibility applies. This will help to avoid duplication and undue burden by enabling uniform time-scales for measurements across all reporting requirements under the Paris Agreement. With regards to the frequency of review, it should be carried out no less frequent than biennially, in order to consider each Parties' implementation and achievement of its NDC, identify areas of improvement for each Party, and review the consistency of the information provided by each Party with the common MPGs for the transparency of action and support.

Adequate time should be provided for reviews to be undertaken, and the process must therefore be flexible and responsive enough to recognise when it may be necessary to extend outside of formal UNFCCC sessions. As reiterated throughout this submission and the Paris Agreement, flexibility for developing countries, particularly the LDCs and SIDS, and the timing of the review should ensure that an undue burden is not placed on these Parties. As outlined above, optional in-country reviews and group country reviews are appropriate means of reducing the burden on LDCs and SIDS, while also ensuring a robust and comprehensive TER process and recognising that the review process is also very important for developing countries, as it provides an opportunity for the exposure, and better understanding, of barriers, needs and costs.

7.7 TECHNICAL EXPERT REVIEW REPORT

7.7.1 Structure and elements of a TER report

The TER report should identify areas where a country's implementation of their NDC may be improved. The report should also recommend sources of support to help overcome barriers to implementation and, where relevant, recommend appropriate bodies and resources that could support and/or facilitate Parties in improving their implementation of their NDC, including the compliance mechanism of the Paris Agreement. The Secretariat should produce a synthesis report of TER reports with a focus on ensuring, clear, accessible and easy to understand information that can facilitate improved efforts by Parties into the future.

7.7.2 Linkages

The TER will provide the Global Stocktake under Article 14 with information on global GHG emission trends (Article 13.7(a)), information on progress in implementation of NDCs (Article 13.7 (b)) and information on finance, technology and capacity building support provided to the developing country Parties (Article 13.9). Information resulting from the TER process should serve as an input to the global stocktake which will inform the development of NDCs. Likewise, the TER process shall inform the mechanism established under Article 15 to facilitate implementation and promote compliance.

7.8 FACILITATIVE, MULTILATERAL CONSIDERATION OF PROGRESS

7.8.1 Objectives, functions and purposes

The objectives of the facilitative multilateral consideration of progress (FMCP) should be similar to those of the TER. The FMCP should build trust and confidence among Parties that each Party to the Paris Agreement is progressing in the implementation and achievement of its NDC and therefore shall consider the implementation and achievement of each Party's NDC and address areas of improvement.

The FMCP should also build trust and confidence that a sufficient quantity and quality of support is being provided to developing countries (and received by developing countries) to assist with mitigation, adaptation and loss and damage, and to support transparency-related efforts. The FMCP shall consider the provision of financial resources under Article 9, including support provided and received, and improvements in reporting with respect to the provision and receipt of financial resources.

The FMCP should ensure to provide a forum which allows Parties to ask questions of one another and allows Parties to offer advice where appropriate. The FMCP should also provide opportunity for civil society engagement, including allowing civil society the capacity to ask questions where appropriate.

The FMCP should be able to provide guidance to Parties' efforts in implementing and achieving their NDCs, and with respect to efforts under Article 9, through a record of the proceedings of the session.

7.8.2 Principles

The guiding principles of the FMCP can be drawn from the Paris Agreement and Decision 1/CP.21. The FMCP should:

- Be conducted in a facilitative, non-intrusive and non-punitive manner, that is respectful of national sovereignty, and avoid placing undue burden on Parties (Article 13.3);

- Facilitate improved reporting over time (Decision 1/CP.21, para. 92);
- Provide flexibility to developing country Parties, in light of their capacities;
- Promote transparency, accuracy, completeness, consistency and comparability (para. 92);
- Avoid duplication and undue burden (para 92);
- Ensure double counting is avoided (para 92); and
- Ensure environmental integrity (para 92).

7.8.3 Scope

The scope of the FMCP should build on the IAR and ICA processes. The FMCP will consider progress made with respect to the provision of climate finance under Article 9 of the Paris Agreement, and all thematic areas under the Paris Agreement to the extent these are included in Parties' NDCs. As with the TER, the MPGs for the FMCP under the Paris Agreement framework for transparency must therefore be more holistic than those for the IAR and ICA processes. The FCMP shall:

- Identify areas of improvement for Parties;
- Review consistency of information with MPGs;
- Enable variation in its approach depending on the contents of each Party's NDC, the contents of reporting and for particular groups of countries, recognising their inherent differences in needs and capacities; and
- Consider the potential of group reviews for LDCs and other developing countries, recognising the time constraints of international negotiations and the resources required for an FMCP

7.9 INFORMATION TO BE CONSIDERED

The information to be considered in the FCMP should include:

- Reports from the TER, including information on efforts under Article 9, and implementation and achievement of Parties' NDCs. This shall encompass all thematic areas included in a Parties' NDC and, to the extent Parties include non-State actors in their NDC, this could also include the actions and implementation efforts of non-State actors; and
- Inputs by Parties or non-Party stakeholders on TER reports.

7.10 FORMAT AND STEPS, INCLUDING EVENTS TO BE CONVENED, THE ROLES OF PARTIES AND THE SECRETARIAT

The format of the FCMP should be as follows:

- A 1-3 hour workshop session per Party or group of up to five Parties, including a brief presentation by the Party/Parties concerned, and a question and answer session (open to Parties and observers, with the opportunity for both Parties and non-Party stakeholders to ask questions and provide inputs); and
- A summary of Parties' presentation, questions submitted by other Parties and responses provided to be publicly available.

7.11 FREQUENCY AND TIMING

The FCMP should be conducted at regular intervals following release of reports from TER.

7.12 THE FCMP SHOULD BE CONDUCTED AT REGULAR INTERVALS FOLLOWING RELEASE OF REPORTS FROM TER. SUMMARY REPORT CONTENT AND FORMAT

The Secretariat should produce a synthesis report for multilateral consideration with a focus on ensuring, clear, accessible and easy to understand information that can facilitate improved efforts by Parties into the future.