

# Transparency framework and ratchet-up mechanism under the Paris Agreement

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**Empowering the Ratchet-up Mechanism under the Paris Agreement**

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# Existing MRV Under UNFCCC

## Differentiated Reporting and Review



### Developed Countries

- ✓ Annual Inventory
- ✓ NATCOM every 4 years
- ✓ Biennial Reports (BRs) every 2 years
- ✓ International Assessment and Reviews (IARs)
- ✓ Expert Review Team (ERT)
- ✓ Multilateral Assessment (MA)



### Developing Countries

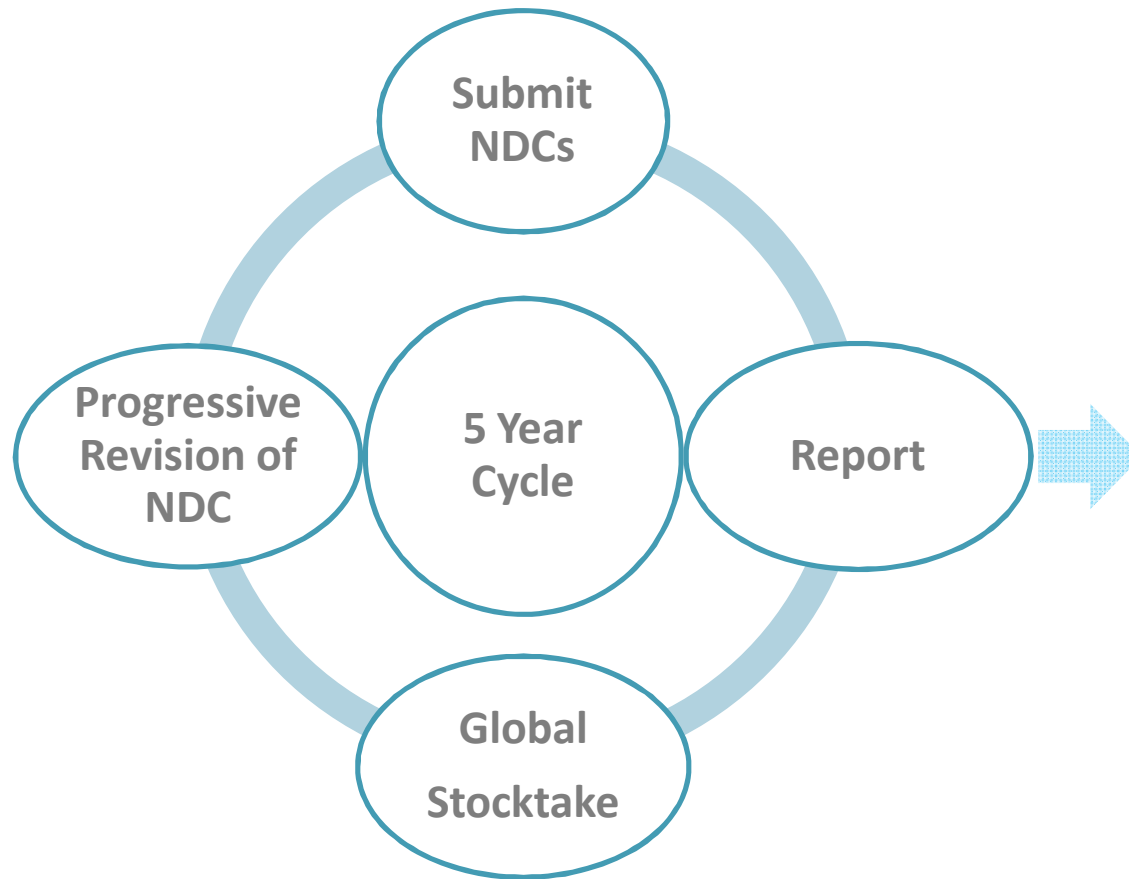
- ✓ National Communications (NATCOM)
- ✓ Biennial Update Report (BURs)
- ✓ International Consultation and Analysis (ICA)
- ✓ Facilitative Sharing of Views (FSVs)
- ✓ Technical Team of Experts (TTE)

- ✓ **Reporting:**
- **Form:** Differences in format; IPCC 2006 mandatory for AI; More similarities in content than diff
- **Frequency:** 2 year for BUR and BRs. 4 year for NATCOM and 1 year for inventory for AI
- ✓ **Review:**
- **Form:** In-Country, Desk, Centralised by ERT from roster of experts for developed country and centralised for BURs.
- **Frequency:** Ranging from Nil to 2 and 4 years
- **Objective:** Improved transparency for NAI; Improved transparency and Comparability for AI

### Differentiation

# What to report in the context of NDCs?

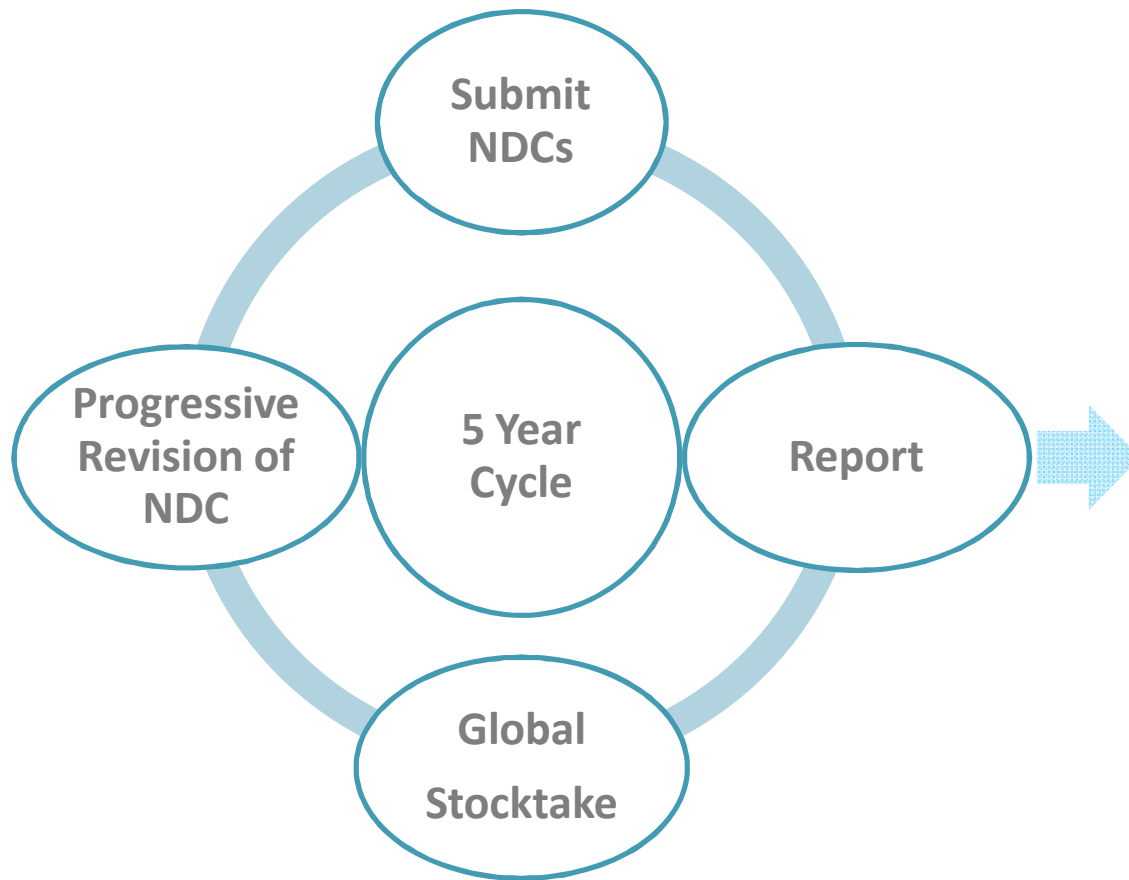
## Apples Vs Oranges



## Information:

- Base year (Reference)
- Target year
- Target, including coverage and scope
- Data, methodologies used
- Means of implementation
- Support (finance, technology, capacity building)

# How to review in the context of NDCs?



- Facilitative mutual consideration of progress on individual NDCs
- Inputs to global stocktake on aggregate progress

# Enhanced Transparency Framework in Paris Agreement (PA)

**Article 13.1 :** *“In order to build mutual trust and confidence and to promote effective implementation, an enhanced transparency framework for action and support, with **built-in flexibility** which takes into account Parties’ different capacities and builds upon collective experience is hereby established.”*

*COP Serving as MoP to the PA at its first session to adopt modalities, procedures and guidelines*

## **Purpose and linkages** (Art 13.5 and 13.6)

- ✓ To provide **clear understanding** of climate action
- ✓ **Tracking of progress** on NDCs under Art.4 and adaptation under Art 7
- ✓ **Inform global stocktake** under Art14
- ✓ **Support provided** and received in the context of climate actions

## **Modalities and guidelines**

- ✓ **Facilitative, non-intrusive, non-punitive**, respectful of **national sovereignty** and **avoid placing undue burden** on Parties (Art. 13.3)
- ✓ Build **on existing experience** from NATCOMS, BRs, BURS, IARs, ICAs (Art. 13.4)
- ✓ To be developed through first COP/MOP of PA

## **Flexibility** (Art 13.2)

- ✓ Shall provide flexibility in the implementation of the provisions.... In light of their **capacities**
- ✓ Modalities to reflect such flexibility
- ✓ Review process to give attention to respective **national capabilities and circumstances**
- ✓ Review process to provide assistance in identifying **capacity building needs**

# Avenues for Flexibility

## Reporting

- Scope and level of details in reporting
- Frequency of reporting

## Review

- Format of review (in-country, centralised, desk)
- Scope and level of detail of review
- Frequency of review

# Options for Flexibility Under PA

1

Same as existing:  
GHG Inventory, BR and  
NATCOM for  
developed countries

BUR and NATCOM for  
developing countries

Same as exiting:  
ERTs, IAR, MA, In-  
country Review for  
developed countries

ICA,FSV for developing  
countries

## Option 1: Carry forward of existing elements

- *Why it is the best option?*
  - Being practiced currently, considers differences in capacities and capabilities of Parties
  - Collective and individual past experience exists
- *Why it is not the best option?*
  - What is enhanced in this option
  - How does it link with NDCs and its progress

# Options for Flexibility Under PA

2

Same as existing:  
GHG Inventory, BR and  
NATCOM for  
developed countries

BUR and NATCOM for  
developing countries

Same as exiting:  
ERTs, IAR, MA, In-  
country Review for  
developed countries

ICA,FSV for developing  
countries

## Option 2: Carry forward, step up and gradually converge

### ■ *Why it is the best option?*

- Considers differences in capacities and capabilities of Parties
- Allows for gradual building of capacities and convergence of all Parties
- Collective and individual past experience exists
- Ensures flexibility on **when to step-up** and how much

### ■ *Why it is not the best option?*

- How does it link with NDCs and its progress
- Uncertainty in estimates



# Options for Flexibility Under PA

3

Same as existing plus NDC:  
GHG Inventory, BR and NATCOM for developed countries; BUR and NATCOM for developing countries  
Plus progress metrics on NDCs

Same as existing:  
ERTs, IAR, MA, In-country Review for developed countries

ICA,FSV for developing countries

## Option 3: Bottom-up determination of flexibility (plus NDC)

- *Why it is the best option?*
  - Links with the NDCs and its progress
  - Considers differences in capacities and capabilities of Parties and **allows for Parties to assess their own capacities**
  - There is past experience with can be used
- *Why it is not the best option?*
  - Uncertainty in estimates
  - There is limited importance of capacity-building and enhancing capacities

# Options for Flexibility Under PA

4

Same as existing plus NDC:  
GHG Inventory, BR and NATCOM for developed countries; BUR and NATCOM for developing countries  
Plus progress metrics on NDCs

Same as existing:  
ERTs, IAR, MA, In-country Review for developed countries; ICA,FSV for developing countries; gradually converging

## Option 4: Bottom-up determination of flexibility (plus NDC) and converging review

- *Why it is the best option?*
  - Links with the NDCs and its progress
  - Considers differences in capacities and capabilities of Parties and allows for Parties to assess their own capacities
  - There is past experience with can be used
- *Why it is not the best option?*
  - Reduced uncertainty in estimates

# Options for Flexibility Under PA

5

Flexibility in reporting form and frequency on pre-determined criteria. Eg. Different for LDCs and SIDCs Vs others.

Converging review for all

## Option 5: Pre-determined flexibility and convergence

- *Why it is the best option?*
  - Links with the NDCs and its progress
  - Considers differences in capacities and capabilities of Parties and allows for Parties to assess their own capacities
  - There is past experience with can be used
- *Why it is not the best option?*
  - Reduced uncertainty in estimates
  - What pre-determination criteria to use?

# Summary of Possible Options

1	2	3	4	5
<i>Carry forward</i>	<i>Carry forward, Step-up and convergence</i>	<i>Bottom up determination of flexibility</i>	<i>Bottom up determination of flexibility and converging</i>	<i>Predetermined flexibility, convergence in reporting</i>
Same as existing	Same & converging	Same + NDC progress metrics	Same + NDC progress metrics	Different groups
Same as existing	Same & converging	Same as existing	Same & converging	Converging

# Key Messages

- ✓ Different capacities and national circumstances
- ✓ Lack of domestic infrastructure and technical capacity to MRV
- ✓ Capacity building on MRV is the key to enhanced transparency
- ✓ Flexibility needed and to be in-built to bridge the capacity gap
- ✓ Various ways in which flexibility can be in-built
- ✓ Can be introduced into scope, form, frequency and level of detail of reporting and scope, frequency and form of review

Thanks

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