



**Submission of behalf of the Alliance of Small Island States (AOSIS)
on APA agenda item 5, “Modalities, procedures and guidelines for the transparency
framework for action and support referred to in Article 13 of the Paris Agreement”
in response to the questions contained in paragraph 15 of the conclusions of APA 1-2.**

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

Form:

- Common modalities procedures and guidelines should apply to all parties, and cover both action and support in the transparency framework. This will help avoid duplication and undue burden, promote the reporting of information in a consistent and comparable manner, and support improved reporting and transparency over time. Where certain requirements apply only to developing or developed countries (e.g. on support), this can be reflected appropriately in the common MPGs.
- In designing these common MPGs, it will be important to recognize that not all Parties are likely to be able to report information on sources and removals by sinks with the same level of detail and frequency and it’s important to recognize different starting points. Differences in the contents of reports will also exist due to different NDC types, capacity limitations, and different national circumstances.
- Common MPGs under the PA may be structured to mirror the specific components of the transparency framework outlined in Article 13 paragraphs 7-12 of the Paris Agreement. This will enable consideration of the boundaries of flexibility and discretion agreed by the Parties in connection with each component.

Specific components of the MPGs:

- The components of the MPGs could include:
 - Reporting Guidelines:
 - Objectives/purpose/principles
(for example, with reference to Articles 13.2, 13.3 13.5 and 13.6; Decision 1/CP.21 paragraph 92(a)-(g))
 - Definitions
 - National greenhouse gas (GHG) inventory reports using agreed IPCC good practice methodologies (Article 13.7(a))
 - Information necessary to track progress made in implementing and achieving a Party’s NDC under Article 4 (Article 13.7(b))

- Information on climate change impacts and adaptation (Article 13.8; paragraph 94(c))
- Support provided, needed and received (finance, capacity building, technology transfer) (Articles 13.9 and 13.10)
- Common reporting format (CRF) tables/templates, where appropriate
- Common Review Guidelines: technical expert review (TER) modalities, procedures and guidelines (Articles 13.11 and 13.12)
 - Objectives/purpose
 - General modalities and procedures for TER (e.g. scope, timing, process, composition of TER teams, other institutional arrangements, outputs)
 - Guidelines for the TER of information reported:
 - GHG inventory reports
 - information provided to track progress made in implementing and achieving NDCs under Article 4, including information on corresponding adjustments consistent with accounting guidelines to be adopted pursuant to 1/CP.21 paras. 31 and 36
 - information on financial, technology transfer and capacity building support provided to developing country Parties
 - review of the consistency of information by a Party with the common MPGs for the transparency framework
 - Specific TER MPGs for additional review functions/processes (as required, to extent not covered in the components above):
 - assistance in identifying capacity-building needs
 - identification of areas of improvement for a Party
- Multilateral Consideration Guidelines: common multilateral consideration of progress (MCP) modalities and procedures (Article 13.11)
 - Objectives/purpose
 - Modalities and procedures
- The above reporting, review and MCP components will also have to reflect the requirements of the accounting guidelines to be agreed under Article 4 and Article 6 (1/CP.21, paras 31 and 36), as well as accounting modalities to be developed under Article 9.

(b) 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 Paris Agreement explicitly provides (Article 13.4 & 13.13) that the transparency arrangements under the Convention “*shall form part of the experience drawn upon for the development of the [MPGs]*”, and that the MPGs shall build on experience from these existing transparency arrangements.

- The MPGs for the new, enhanced transparency framework will eventually supersede the MRV system under the Convention, immediately following the submission of the final biennial reports and biennial update reports.
- The most efficient way to initiate technical work in our view is to approach the elaboration of the Paris Agreement MPGs by:
 - (1) mapping of the existing components of required country reports,
 - (2) identification of new principles/components/elements required by the Paris Agreement,
 - (3) identification of lessons learned,
 - (4) identification of relationship between future reports
 - (5) identification of how the principles/components/elements feed into the Global Stocktake.

In conjunction with development of the MPGs, processes and timelines relating to the operation of the new transparency framework will need to be agreed. For example -

- Possible deadlines set by the COP for submitting final BURs and BRs under the existing MRV system
- dates for submitting first national reports, and for the first TERs and MCPs, under the new transparency framework (taking into account, for example, the timetable for the Global Stocktake), and
- timeline for the first review and update of the MPGs (1/CP.21, para 91).

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

Flexibility for developing countries that need it in light of their capacities

- Reflecting on interventions made in Marrakech, it is useful to distinguish between ‘capacities’, ‘national circumstances’ and ‘nationally determined’ elements in considering how to conceptualize and operationalize flexibility for developing countries that need it in light of their capacities:
 - A Party’s ‘capacity’ to provide all relevant information in its reporting or participation in the TER and MCP processes may be limited due to technical, resourcing, data, institutional, governance or other capacity constraints. This might for example result in a Party reporting "NE" where emissions are not estimated.
 - The ‘national circumstances’ of a Party may relate to its economy or natural resource base, resulting, for example, in a Party reporting "NO" (not occurring), or “NA” (not applicable).

- In developing its NDC, a Party may have ‘nationally determined’ that its NDC will, for example, contain an emissions reduction target relative to business-as-usual (BAU) levels, meaning that information on its BAU baseline and its BAU assumptions will be relevant in its reporting of information on progress made in implementing and achieving the NDC.
- The information that any individual Party will provide in reporting under the transparency framework will vary based on all three factors. For instance:
 - The reporting guidelines for information on progress made in implementing and achieving an NDC will need to include guidance for reporting on different NDC types. For example, where BAU NDCs are presented, the reporting guidelines will require information on baseline assumptions and projections that relate to national circumstances (population growth, economic growth, sector profile etc.).
- The reporting guidelines will also need to build in approaches on the operationalisation of flexibility. The result will be that the scope, frequency and detail of information provided by developing countries may vary depending on the particular element being reported and their respective capacities in that regard.
- The work to incorporate flexibility into the MPGs should:
 - (1) identify in Article 13, paragraphs 7-12 the shall and should elements that will require the drafting of MPGs;
 - (2) identify the necessary reporting guidelines for each element;
 - (3) identify appropriate ways to provide flexibility to developing country Parties based on their evolving capacity within the guidelines for each element; and.
 - (4) identify direction of improvement in reporting expected over time.
- There are various ways in which the MPGs could provide flexibility through the drafting of individual provisions, and enable a developing country to be afforded the required flexibility. For example:
 - by providing reporting tiers or options (e.g. IPCC tiered approach to methodologies)
 - by leaving a developing country to determine at its discretion that flexibility is required in some instances due to capacity constraints, with this translating into the detail of information provided (e.g. use of notation keys where information cannot currently be estimated- similar to current practice where Parties report "NE", for not estimated).
 - leaving a developing country to determine at its discretion that flexibility is required, within the bounded flexibility afforded by the guidelines
- The objectives/principles section of the guidelines on reporting and TER should highlight the importance of facilitating improved reporting and transparency over time, and the need to avoid backsliding, while acknowledging that the need for flexibility and improvements in reporting will vary between Parties.

Operationalizing discretion for SIDS and LDCs

- The PA explicitly recognizes the special circumstances of the LDCs and SIDS in the context of the transparency framework (Article 13.3). To operationalize this, a separate carve-out is provided for SIDS and LDCs in paragraph 90 of Decision 1/CP.21 from the obligation on Parties to submit information “*no less frequently than on a biennial basis*”. Paragraph 90 provides that the LDCs and SIDS may submit the information referred to in Article 13, paragraphs 7-10 at their discretion (national inventory reports, information necessary to track progress made in implementing and achieving its NDC, information related to climate change impacts and adaptation, and information on financial, technology transfer and capacity building support, and on support needed and received).
- These provisions in the PA and Decision 1/CP.21 reflect the particular circumstances and capacity constraints of LDCs and SIDS, which can include negligible emissions, human resource and other constraints, and/or lack of sufficient/robust data. Some of the approaches that already exist under existing reporting guidelines (e.g. tiered reporting, default emissions factors) have already proven to be helpful to SIDS and LDCs.
- Critically, the discretion under paragraph 90 should not disadvantage LDCs and SIDS that wish to report or to improve their reporting from accessing finance, technical support or capacity building they need to enhance participation in the transparency framework. SIDS and LDCs should be supported in improving their reporting capacities under the transparency framework, as enhanced reporting and review will assist these countries in identifying mitigation and adaptation options, and provide evidence needed to secure finance and other support in-country for these ends and also enhance the availability of information on climate finance flows to these highly vulnerable countries.

(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?

- Interlinkages of the enhanced transparency framework with other mechanisms and processes which are being developed under the Paris Agreement (e.g. Article 6, Article 7, Article 9, Article 14, Article 15), taking into account the work being undertaken by all relevant bodies (SBI, SBSTA, APA, COP, Adaptation Committee, Standing Committee on Finance) to avoid duplication of work.
- The MPGs should facilitate improved reporting and transparency over time. The Capacity Building Initiative for Transparency should provide practical and continuous support to developing countries in improving their reporting capabilities for both action and support.
- The need to avoid duplication and undue burdens on Parties in reporting under the transparency framework, while at the same time ensuring the required level of information is provided to be able to assess implementation of the Paris Agreement, including through the five-yearly global stock take.