

ADP 2-5
ADP Contact Group
Intervention on transparency

June, 2015

Thankyou Mr. co- Chair.

I have the honour to speak on behalf of the AILAC countries

Transparency is one of the key elements identified as part of the new 2015 agreement. In fact, ensuring transparency in the results obtained through the parties' commitments is essential to

- i. Ensure the necessary environmental integrity
- ii. Build confidence and trust in the process, among parties, and in the international community's efforts to combat climate change.

2. These arrangements should take into account both the MRV of action and the MRV of support.

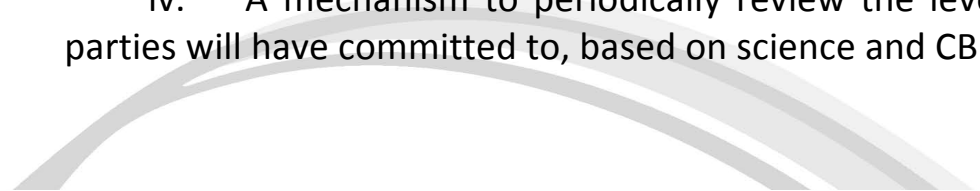
3. On transparency, the 2015 agreement must include:

- i. Elements necessary to guarantee ex-ante clarity on mitigation contributions by all parties, including the definition of up front information and a process for ex ante assessment;

- ii. Specific transparency rules on sources of support, the scale of support, the channels and instruments used;

- iii. An MRV system for action and for support, which takes into each party's evolving capacities, allowing them to move from the lower to the higher end of the MRV requirements as their capacities are strengthened. The country capacities for MRV should be enhanced progressively including through international cooperation and support.

- iv. A mechanism to periodically review the level of effort that parties will have committed to, based on science and CBDR-RC.



4. On the issue of MRV of action:

- i. This should be based on a principle of no back-sliding.
- ii. The future system must include the necessary support for countries to progressively enhance their installed capacity as well as their systems for data collection and analysis in order to gradually enhance their own MRV actions.
- iii. The types of contributions defined by parties will directly influence the MRV system that can be implemented. Different types commitments will require adaptable methodologies for calculating fair efforts.
- iv. The MRV system must be accompanied by specific accounting rules. These accounting rules must be designed in such a way that:
 - It prevents double counting of units that can be sold in a potential market (there should be a robust monitoring system).
 - Ensure the environmental integrity of the credits
 - It prevents the carryover of AAUs in subsequent commitment periods.

5. On the issue of MRV of support:

- v. It is necessary that the future agreement comprise a reference to an internationally agreed methodology for tracking financial flows, including information of donors and recipient countries.
- vi. An MRV system of financial flows should be based on a common agreed definition of climate finance, to avoid double counting of resources for development activities, mitigation and adaptation action, and public and private resources invested.

6. Overall, the transparency arrangements are key to a robust compliance mechanism.

Thank you Mr co-Chair

