

**SUBMISSION BY COSTA RICA ON BEHALF OF THE AILAC GROUP OF COUNTRIES  
COMPOSED BY CHILE, COLOMBIA, COSTA RICA, HONDURAS, GUATEMALA, PANAMA,  
PARAGUAY AND PERU**

**Subject: Item 5 Modalities, procedures and guidelines of the Transparency Framework on Action and Support pursuant Article 13 of the Paris Agreement**

**Reference: FCCC/APA/2016/L.1 paragraph 8 c).**

**Introductory Remarks**

1. AILAC welcomes the opportunity to submit its views on item 5 of the APA agenda in order to advance the work on the modalities, procedures and guidelines (MPG) of the Transparency Framework on Action and Support pursuant Article 13 of the Paris Agreement.
2. AILAC is of the view that the implementation of the transparency framework should enhance existing provisions of measuring, reporting and verification under the Convention in order to reduce uncertainty, increase the quality of information, support strengthening institutional arrangements, ensure the sustained provision of information over time and strengthen review and consideration processes. In particular, AILAC considers that this framework should facilitate that developing country Parties continually, and over time, improve the provision of more detailed information, high quality data and the usage of the most up to date methodologies and guidelines.
3. Thus, AILAC suggests the following considerations for the modalities, procedures and guidelines of the enhanced transparency framework:

**Reporting provisions**

***i. National Communications***

4. AILAC considers that national communications will continue to play an important role in reporting information on climate action, given that the Paris Agreement stipulates that its transparency framework will be built on and enhance the current transparency arrangements under the UNFCCC, including experiences gained through the elaboration of national communications.
5. Also, Parties need to ensure that national communications and the enhanced transparency framework complement and strengthen each other and it will be equally important to avoid duplications and undue burdens on Parties. Thus, AILAC contemplates that, while the development of the MPG for Article 13 is a priority, given that work has to be completed in 2018, at some point there will be a need for Parties to assess how to ensure coherence and complementarity between the enhanced transparency framework and national communications. This could be achieved for example, by agreeing on adjustments to the guidelines for national communications.

***ii. Biennial Communications***

6. For AILAC the common guidelines for biennial communications should draw upon current reporting guidelines for developed countries and reporting guidelines for developing countries and serve the purpose of tracking progress of the NDCs and, in

particular, progress on implementation of mitigation goals and support provided and received.

7. Development of common guidelines for biennial communications shall not represent a decrease in the level and quality of information provided by all Parties in their current reports. At the same time, these guidelines should include flexibility provisions that allow developing countries to prepare transparent biennial communications according to their national circumstances and capabilities but without losing sight of the importance of improving the level and quality of information over time. Whenever possible and appropriate, tabular formats should be developed to facilitate reporting and access to information.
8. An initial consideration of the scope of the guidelines for preparing biennial communications indicates that they should contain the following sections:
  - a. National Inventory of anthropogenic GHG emissions by sources and removals by sinks
    - Information on the related institutional arrangements
  - b. Information necessary to track progress made in implementing and achieving NDCs pursuant Article 4 of the Paris Agreement, including:
    - Information on the achievement of the NDC
    - Information on mitigation policies and actions
    - Changes and updates of the up-front information reported in the NDC,
  - c. Information related to the implementation of Article 5 of the Paris Agreement
  - d. Information related to the implementation of Article 6 of the Paris Agreement
  - e. Information on adaptation
  - f. Information to ensure methodological consistency
    - Methodological changes and updates in the elaboration of national inventories
    - Methodological changes and updates related to the preparation of NDCs
    - Methodological changes and updates for reporting progress made towards achieving the respective NDC
  - g. Information on financial, technology transfer and capacity-building support
    - Support provided
    - Support needed and received
  - h. Information on capacity needs and capacity developments for transparency
9. AILAC is aware that detailed discussions regarding the information of some elements that should be included in the biennial communications are required. For instances, it is necessary to have clear guidelines for elaboration of National Inventory Reports bearing in mind that it will be important to avoid additional burdens for Parties and the Secretariat. In addition, it will be crucial to identify information needed to track progress made in implementing NDCs and, specifically, information required to track different types of NDCs in order to include requirements related to this information in the guidelines of biennial communications.
10. As for information on adaptation and as expressed in further detail below, AILAC wants to remind that the biennial report of this information will require for the actual and increasing implementation of adaptation actions in order to ensure the availability of

information, increasing support provided, in specific in terms of capacity building and finance to put in place monitoring, evaluation and reporting national, amongst other details. Also, when elaborating guidelines that could facilitate the provision of adaptation in biennial communications, Parties have to bear in mind that due to the specificities of adaptation actions, information relevant to be reported may take more than two years to be collected and submitted.

***iii. National GHG inventories and Mitigation: Methodological Issues***

11. AILAC is of the view that all Parties should aim to use the latest IPCC guidance, (currently the 2006 IPCC Guidelines and the 2013 Wetlands Supplement) and higher tiers for the preparation of national inventories, especially for key categories. However, flexibility should prevail in the continued use of lower tiers for developing country Parties, for example for non-key categories. This issue in particular will show improvements with continuous capacity building in developing countries. By any means the quality and consistency of information and data utilized by each Party for the preparation of national inventories should be less than what has been used for previous processes.
12. Accurate national GHG inventories should constitute the main instrument to track progress of NDCs. Therefore, it is necessary to strengthen capacities in order to estimate and improve national emission factors and activity data, and reduce the uncertainty of national estimates of emissions and removals, in the development of consistent time series.
13. Biennial Communications should include updated National GHG Inventories and even when national communications submissions coincide with the submissions of biennial communications, the latter should be presented as stand-alone reports. Developed country Parties will continue to present National GHG Inventories annually.
14. As progress is made on the mandates established for the implementation of Article 6 of the Paris Agreement, it is necessary to ensure coherence with the enhanced transparency framework and to its reporting instruments. For the market and non-market components of Article 6, it is especially important to achieve coherence with the enhanced transparency framework when these are used to make progress towards achieving the NDCs, particularly, the holdings and transactions under article 6.2 and 6.4 and how double-counting is avoided and environmental integrity guaranteed.

***iv. Means of Implementation***

15. For AILAC, one important aim for the transparency framework has to be to improve the comparability and reduce uncertainty of data and information regarding climate finance, technology development and transfer and capacity building. It must generate useful and credible data on the provision and mobilization of support, including all three components of the means of implementation for the Paris Agreement.
16. The enhanced transparency framework must build upon and take into account the work already done and under way in different bodies under the Convention, such as the development of the modalities for the accounting of financial resources provided and mobilized through public interventions in accordance with Article 9, paragraph 7 of the Paris Agreement and the experiences of the Biennial Assessments and Overview of Financial Flows done by the Standing Committee on Finance.

17. It would be essential to agree general guidelines and methodologies if possible, to frame the way Parties report and create a dynamic system that continuously triggers the effective provision and mobilization of all means of implementation.
18. It is very relevant for the framework for transparency of support that Parties report on support provided and received. The reports of support provided should serve to improve its effectiveness in the light of needs and priorities of developing countries and identify gaps on how developed countries are providing support.
19. As stated in paragraph 94 of decision 1/CP21, reporting on support received by developing countries should be enhanced, including its use, impact and estimated results, especially in the context of NDCs. However, the provision of information related to support received by developing country Parties represents a challenge since it has not been systematically done and generally data has not been collected before..
20. The new reporting responsibilities for developing countries will require new and enhanced technical capabilities and the development and consolidation of domestic systems to improve the coordination among different stakeholders. From a technical standpoint it must be noted that reporting on support received will be more feasible if there are clear guidelines and definitions related to what constitutes provided support, as well as for mobilized support and if there is more transparency on methodological approaches and underlying assumptions used by developed countries.

**v. Adaptation**

21. Having clarity and tracking progress of Parties adaptation actions under Article 7, as well as of the support provided and received for the adaptation actions, are embedded to the purpose of the Enhanced Transparency Framework, as stated in Article 13 paragraph 5 and 6, respectively.
22. Transparency of adaptation action should be oriented as a way to share priorities and lessons learned between Parties in the spirit of cooperation and enhancing action and support as established in Article 13.
23. Despite its importance, the Enhanced Transparency Framework must not make reporting on adaptation action for transparency purposes an additional burden to Parties. The inherent flexibility of the Enhanced Transparency Framework for adaptation must be guaranteed, through the use of a variety of vehicles, while avoiding confusion about the number of reports required from Parties under the Convention. Currently reporting of adaptation efforts is carried out through the national communications, which essentially provide. “backwards looking” information on adaptation efforts conducted within countries. Additionally, any guidance that is developed should take into account the specificities of adaptation action and give due consideration to the required longer time frames and to the challenges there are in developing and obtaining outcomes (quantitative or qualitative) and of the monitoring and evaluation of adaptation action. This guidance should take into account the following issues:
  - a. In implementing the Paris Agreement as Parties submit their adaptation communications, their capacities grow and their actions are being implemented there will be further progress of action to be reported through their national communications. Parties should update their communication on adaptation on the same period they will communicate their mitigation actions

(5 year period). This will facilitate the follow up on adaptation efforts and support under the global stocktake and the enhanced transparency framework. In due time, there will also be more information available, as well as greater respective capacities, to be reported via the biennial communications.

- b. Although submitting information on a biennial period as stated in paragraph 90 of Decision 1/CP.21 could be possible and desirable in the future, many Parties would need to first improve their now limited capacities, enhance the implementation of adaptation action and increase information available for this purpose. As stated in AILAC's Submission on Item 4, there should be a periodic review of the guidance and specifically of the categories of information that the adaptation communication should include. National Communications should continue to be the vehicle to report on the implementation of adaptation actions while national capacities are improved through enhanced support for a more frequent reporting.
- c. Guidance on any biennial reporting of adaptation under the enhanced transparency framework, should consider the developing country Parties capacity, the availability of information to report on and the development of internal monitoring and evaluation systems.

24. The critical component of the enhanced transparency framework regarding support provided and received for adaptation action will also be developed by all Parties and its further detail is given in the context of means of implementation of this submission.

### **Technical Review**

25. As established in the Paris Agreement, common MPG should be developed for the technical review of information that will be communicated biennially.

26. For AILAC, the review process clearly has to serve to improve technical capacities in the country both for transparency purposes as well as for facilitating the implementation of NDCs and it should thus be designed accordingly. Therefore, although the focus of the review should be to determine consistency of the information with the MPGs, it also should include the assistance to identify capacity-building needs through recommendations of the technical experts in charge of the review process., to inter alia regarding consistency of information with MPGs.

27. It is desirable that the development of the review guidelines is informed by current guidelines for Review of National Communications, National Inventories, International Assessment and Review and the International Consultation and Analysis. Flexibility provisions should be considered for developing countries according to the progressive enhancement of their capacities, for example, by allowing a more flexible timeframe for implementing any recommendations by the technical experts and by identifying those recommendations that may be implemented only if sufficient financial support and capacity building is of the view that these common guidelines for review should not represent a decrease in the current level of scrutiny for developed country Parties..

28. The technical review process, should be conducted through desk and centralized, and regular in-depth reviews of the information reported in biennial communications. The aim to avoid additional burdens for the Parties and the Secretariat of the Convention also has to be considered when developing MPG in this context.

29. In addition, AILAC considers that this process should take advantage of the experience gained by the teams of technical experts and Lead Reviewers, in the assessment of Biennial Reports, Biennial Update Reports, Annex I annual national inventory reports (including national GHG inventories), KP assigned amounts and accounting (including activities under paragraph 3.3. and 3.4. of the KP), REDD+ reference levels and REDD+ technical annexes. The technical review should be conducted by experts nominated by Parties for being included in the roster of experts of the UNFCCC.
30. The main output of this technical review should be a report that includes:
- a. Consideration of implementation and achievement of the respective NDC
  - b. Information related to support provided and received, as relevant
  - c. An assessment of transparency, accuracy, consistency, completeness, and comparability of information in relation to the MPG.
  - d. Recommendations by expert review teams to Parties
  - e. Identification of capacities needed to improve quality and level of information reported to track NDCs, including national GHG inventories.
31. For AILAC, it is important to remark that recommendations provided by technical experts should be aimed to improve national capacities for monitoring and reporting and by any means should be intrusive or result in an assessment of the adequacy of policies and measures taken by a Party.
32. Technical review reports should be made publicly available although special consideration may apply to confidential information

### **Facilitative Multilateral Consideration of Progress**

33. AILAC stresses the importance of the multilateral consideration of progress for building trust and confidence amongst Parties. This process should follow the technical review process and be based on the biennial communications.
34. For AILAC, modalities and procedures for this process should expand upon M&P of multilateral assessment under IAR and the facilitative sharing of views under ICA. Therefore, for AILAC, the general process of multilateral consideration of progress may include the following steps:
- a. Preparation of session: Parties would have the possibility to pose questions to enhance clarity and understanding regarding elements included in the Biennial Communication of the Party under consideration. Parties under consideration should respond that questions before the session of multilateral consideration.
  - b. Consideration session: The Party under consideration should make a brief presentation of the main elements included in its biennial communication and other Parties can ask questions about it and later receive responses by the Party under consideration.
  - c. Post-session: Compilation of a summary report that includes the main results of the multilateral consideration process.

## **Inputs of the Enhanced Transparency framework to the Global Stocktake**

35. AILAC considers that the reporting guidelines for biennial communications for all Parties should guarantee that information provided for tracking progress of NDCs can be easily and transparently aggregated.
36. In the context of the Global Stocktake as established under article 14 of the Paris Agreement, the enhanced transparency framework should provide valuable inputs to assess the collective progress towards achieving the purpose of the Agreement and its long-term goals. In order to fulfil this task, the Secretariat and other relevant bodies should be requested to elaborate the following reports on the basis of biennial communications, technical expert reviews and facilitative multilateral consideration:
  - a. Regular summaries of GHG emissions and emissions trends: AILAC considers that Summaries of GHG emissions would allow understanding the progress made towards the global goal and a summary of global emissions trends, which would be necessary to visualize the emissions path that all Parties will follow towards the global goal.
  - b. Synthesis reports on the aggregate effect of NDCs implemented and achieved by parties: this could help identify the additional efforts that would be needed to achieve the global long-term goals.
  - c. Synthesis reports of needs for mitigation and adaptation actions that should be covered in order to increase the ambition and to ensure the achievement of the global long-term goals.
  - d. Aggregate information on support provided and received. This information should be aggregated to show a picture to support provided for mitigation and adaptation and if possible also by sectors. The SCF would play an important role in aggregating this information.

## **Facilitating the implementation of the Enhanced Transparency Framework**

37. The effective implementation of the enhanced transparency framework requires that, when appropriate, all Parties enhance their institutional arrangements and capacities with regards to tracking of progress of NDCs and the corresponding reporting instruments. In this context for developing country Parties, receiving continuous support from CBIT will be fundamental to ensure an appropriate implementation of Article 13 and to strengthen national capacities that bring long-lasting positive effects.
38. AILAC countries are committed to enhance their own national transparency systems and in this process, they have identified areas where capacity building would be required in order to improve measuring, reporting and verification of information related to national and sectorial GHG emissions, as well as for mitigation actions and goals, and for quantifying support received and evaluating adaptation actions. The identified areas include but are not limited to the following:
  - a. Enhancement of monitoring and evaluation of adaptation actions and their impacts, through appropriate methodologies and development of national indicators
  - b. Strengthening of technical and institutional capacities to gather and process sectorial information needed for the elaboration of national GHG inventories and for tracking mitigation actions, in particular for the use of higher tiers for key

- categories of for sectors or categories where key mitigation actions are being implemented in the context of the NDCs
- c. Strengthening of sectoral information systems in order to ensure continuous and systematic provision of information needed for the elaboration of National GHG inventories
  - d. Accessing sufficient financial resources to maintain and continuously train technical teams responsible for updating national GHG inventories, and for developing and improving biennial communications
  - e. Estimation and improvement of national GHG emission factors and activity data, while maintaining methodological consistency in time.
  - f. Design and implementation of robust MRV systems for tracking of mitigation actions and policies, as well as climate finance, technology transfer and capacity building
  - g. Provision of technical information related to support received, its use, impact and estimated results
  - h. Assessment of mitigation and adaptation needs
39. In the same vein, AILAC would like to emphasise that procedures to access financial and technical resources from the CBIT should be practical, streamlined and as simple as possible in order to avoid lengthy processes of approval that could constitute an additional obstacle for the biennial provision of information. The CBIT should take into account that country proposals that seek to enhance institutional capacity may take time to be developed. Therefore, it will be important to ensure timely and optimum support for the elaboration of these proposals.
40. Finally, AILAC would like to underline the importance that the CBIT has sufficient and sustained financial resources for its proper functioning.