TRANSPARENCY UNDER THE PARIS AGREEMENT

Background

Establishing an enhanced transparency framework was an important outcome of the Paris Agreement\(^1\). The framework covers both action (i.e. mitigation, adaptation) and support (i.e. finance, capacity building and technology) and is needed to track progress towards individual and collective targets and to hold Parties to account.

The first session of the Ad Hoc Working Group on the Paris Agreement (APA1) in Bonn in May 2016 will start to develop recommendations for modalities, procedures and guidelines for transparency in accordance with Article 13.13 of the Agreement. It will also define the year of their first and subsequent review and regular update. The Paris outcome calls for this work to be completed by COP24 (2018) at the latest, with a view to forwarding draft decisions to the Conference of the Parties serving as the meeting of the Parties to the Paris

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Agreement (CMA1) for consideration and adoption. It would be prudent for Parties to aim to finalise the decisions by 2017 in order not to delay entry into force and to give Parties more certainty on what will be expected of them under the Paris agreement.

As Parties develop the enhanced transparency framework they must keep in mind that the Paris agreement should be universal while retaining flexibility (e.g. in terms of obligations, scope and frequency of reporting and review) to take into account the varying circumstances and capacities of different Parties. Different types of nationally determined contributions (NDCs) will have different information requirements but the transparency framework must ensure that it is possible to understand and track progress towards the fulfilment of each NDC as well as the aggregate global level of action.

Developed country Parties have an obligation to report information on support provided and climate finance mobilised for both adaptation and mitigation. Developing country Parties should also report information on support received for both adaptation and mitigation. Urgent work for 2016

To deliver an enhanced transparency framework that can provide clarity on Parties’ climate change efforts, that is global, and that best builds mutual trust the following should be central to discussions at APA1:

- Balancing the development of modalities, procedures and guidelines for both action and support;
- Clarifying what is meant by built-in flexibility (Art 13.1) for modalities, procedures and guidelines;
- Upholding the highest level of environmental integrity and avoiding double counting of efforts through modalities, procedures and guidelines developed pursuant to the Paris Agreement; and
- Securing the support needed in terms of finance and capacity building etc. for developing country Parties to meet the enhanced transparency obligations under the Paris Agreement.

To complete the technical work on the enhanced transparency framework in time the following should form part of the discussions:

- The implication of different types of NDCs for transparency and information requirements. There is considerable experience with emission reduction type commitments but other NDC forms (e.g. emissions peaking, intensity reduction) and provision of support are less developed so could benefit from an earlier focus;
- Discussions on how to count finance contributions: It is now critically important to deliver clarity on what types of financial transfers and flows can be counted toward the USD100 billion per annum target. Therefore SBSTA has to urgently deliver on the mandate to develop accounting modalities for climate finance;
- A workshop and/or technical paper this year may facilitate more informed discussions on both the information requirements for NDCs and the transparency framework for support;
- The concept of transfer of mitigation outcomes (Decision 1/CP.21 para 108) should inform the accounting guidelines; and
- Verification is likely to be drafted after the reporting guidelines are understood.

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