

Enhanced institutional arrangements for the Enhanced Transparency Framework



Aryanie Amellina

Analyst, IGES Climate and Energy Area

Project on "International market mechanisms and transparency under the Paris Agreement" - supported by the Ministry of the Environment, Japan

Workshop for sharing lessons learned from the JCM implementation in Asia and Pacific - March 8, 2018

Disclaimer

This PPT aims to illustrate possible issues to be addressed in developing so-called "Paris Rulebook", especially related to Article 4, 6, and 13 of the Paris Agreement.

It should be noted that this PPT does not intend to prejudge an outcome of "Paris Rulebook", since it is solely up to UNFCCC negotiation by all Parties.

But we expect discussions using this PPT will facilitate better understanding of issues and hence contribute to developing practical and sound "Paris Rulebook", as well as build capacity for reporting.

Enhanced transparency framework requires enhanced institutional arrangements for reporting and review

International Process

Domestic Process

Infrastructure needed

Bold parts are new processes for developing countries

Feedback

International **technical expert review** of inventories

Future enhanced transparency MPGs (Art. 13)

International communication

Guidance on global stocktake, ratchet-up mechanism (Art. 4, 13)

Global stocktake, review of progress

Domestic review/verification, to prepare NDC (every 5 years)

National budgeting, tracking of progress, capacity needs assessment

Periodical report, avoidance of double counting

UNFCCC guidance and formats (Art. 6, Art. 13, etc.)

- **Biennial** reporting (?)
- **Annual** inventories and **corresponding adjustments** (?)
- Market mechanism reporting

Preparing inventory and national/NDC report

- Continuous improvement

Data management system, reporting elements, IPCC templates, software, voluntary standards

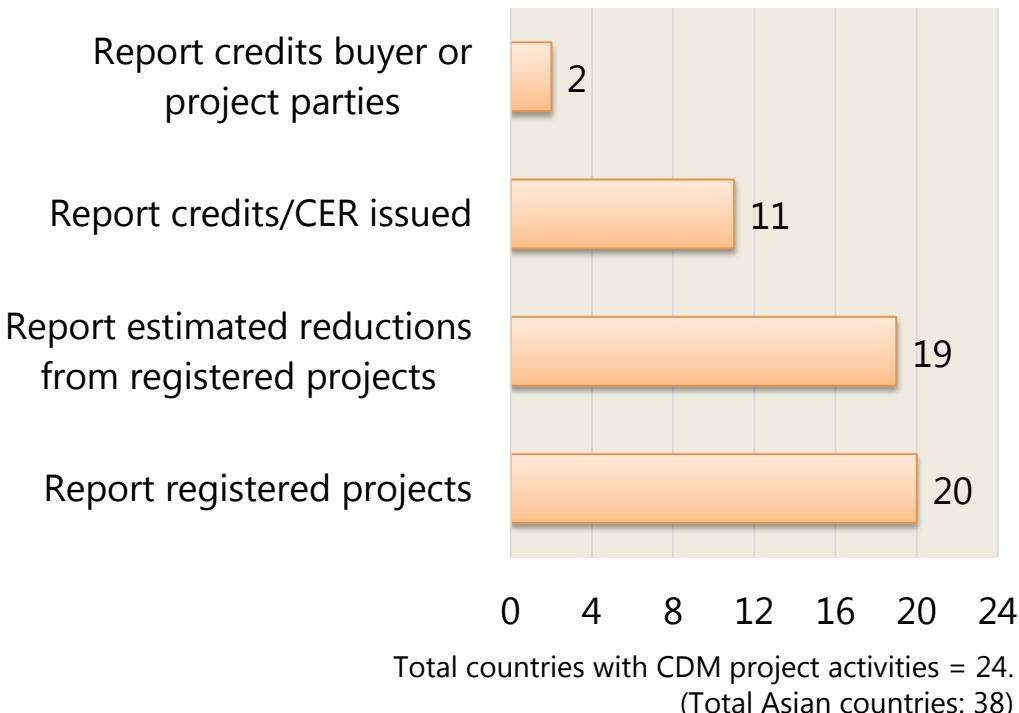
Indicators setting for NDC implementation, target setting

Data collection system, IPCC Guidelines, capacity needs assessment

Feedback

Reporting of market mechanisms, which has not been comprehensively addressed by countries, can be enhanced through institutional arrangements

Asian countries with CDM project activities, that reported in their national report (NC/BUR):



- There is not enough experience to report the use of international market mechanism in the Kyoto Protocol era.
- BUR guidelines recommend information on international market mechanisms, but does not mention avoidance of double counting.
- However, enhanced transparency framework should avoid double counting (Article 13), complemented by guidance for accounting of market mechanisms (Article 6).
- Market mechanisms and reporting are often implemented by different institutions/experts/negotiators, so domestic institutional arrangements and ownership is key for enhancing reporting of market mechanisms.

Reporting of market mechanisms can be integrated with the arrangements for preparation of inventory to create effective process

Guidance on reporting elements

- Development of Article 13 Modalities, Procedures, Guidelines (MPG) and Article 6 guidance

Institutional arrangements to build ownership for overall reporting

Preparation of national report (inventory and reporting market mechanisms) in a collaborative and iterative way

Existing BUR guidelines can be a starting point for elements of enhanced reporting framework

UNFCCC biennial update reporting guidelines, COP17 Durban (decision 2/CP.17) (excerpt)

I. Objectives

II. Scope

III. National greenhouse gas inventory

IV. Mitigation actions

12. For each mitigation action or groups of mitigation ..., ...developing country Parties shall provide the following information to the extent possible:

- (a) Name and description of the mitigation action, including information on the nature of the action, coverage (i.e. sectors and gases), quantitative goals and progress indicators;
- (b) Information on methodologies and assumptions;
- (c) Objectives of the action and steps taken or envisaged to achieve that action;
- (d) Information on the progress of implementation of the mitigation actions and the underlying steps taken or envisaged, and the results achieved, such as estimated outcomes (metrics depending on type of action) and estimated emission reductions, to the extent possible;
- (e) Information on international market mechanisms.

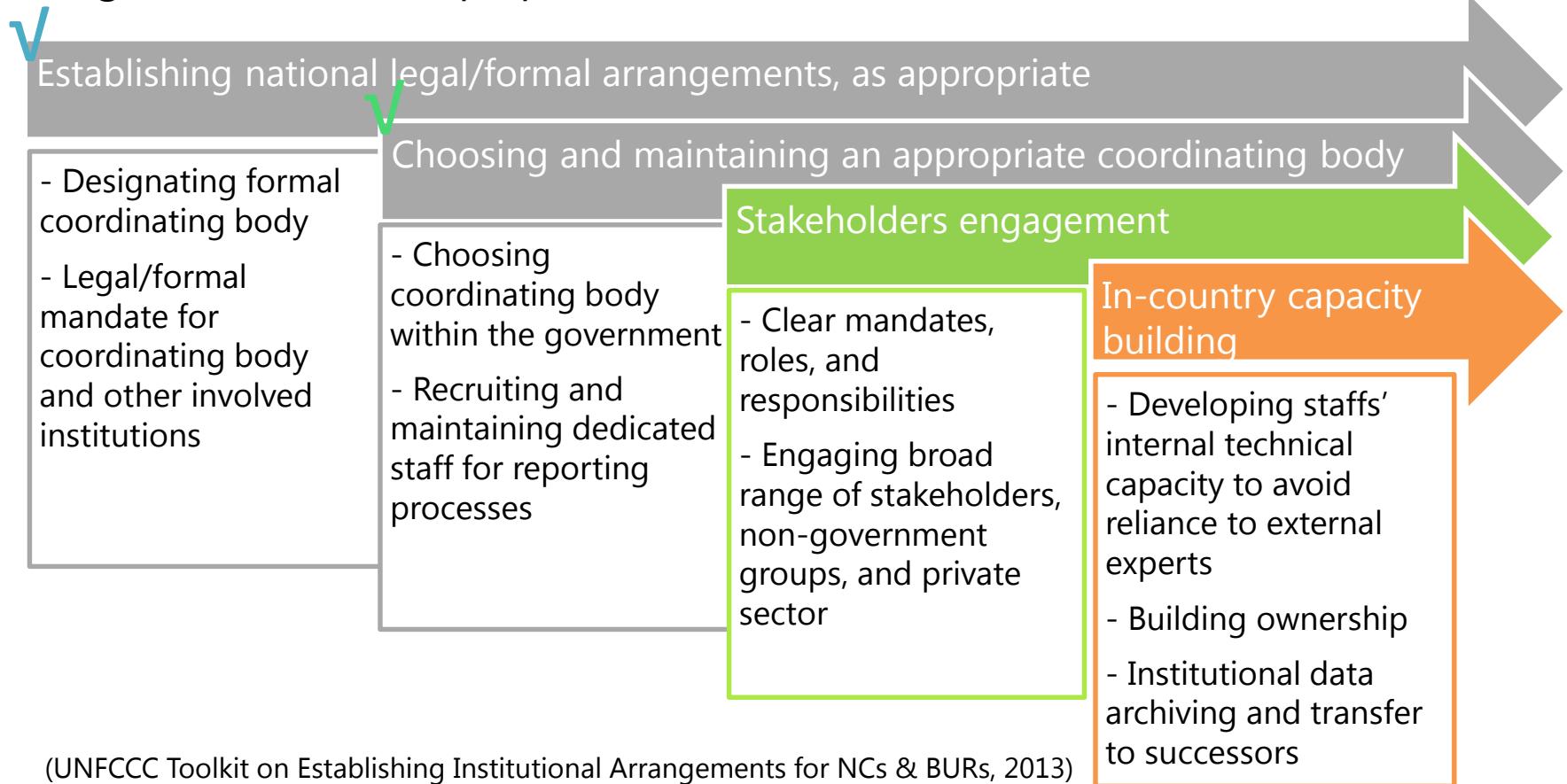
V. Finance, technology and capacity-building needs and support received

VI. Submission

VII. Updating the guidelines

Institutional arrangements to build ownership can be based upon the existing foundations

Relevant key lessons from NC preparations, to enhance institutional arrangements for future preparation of NCs and BURs:



(UNFCCC Toolkit on Establishing Institutional Arrangements for NCs & BURs, 2013)

Stakeholders engagement and in-country capacity building can be the focus.

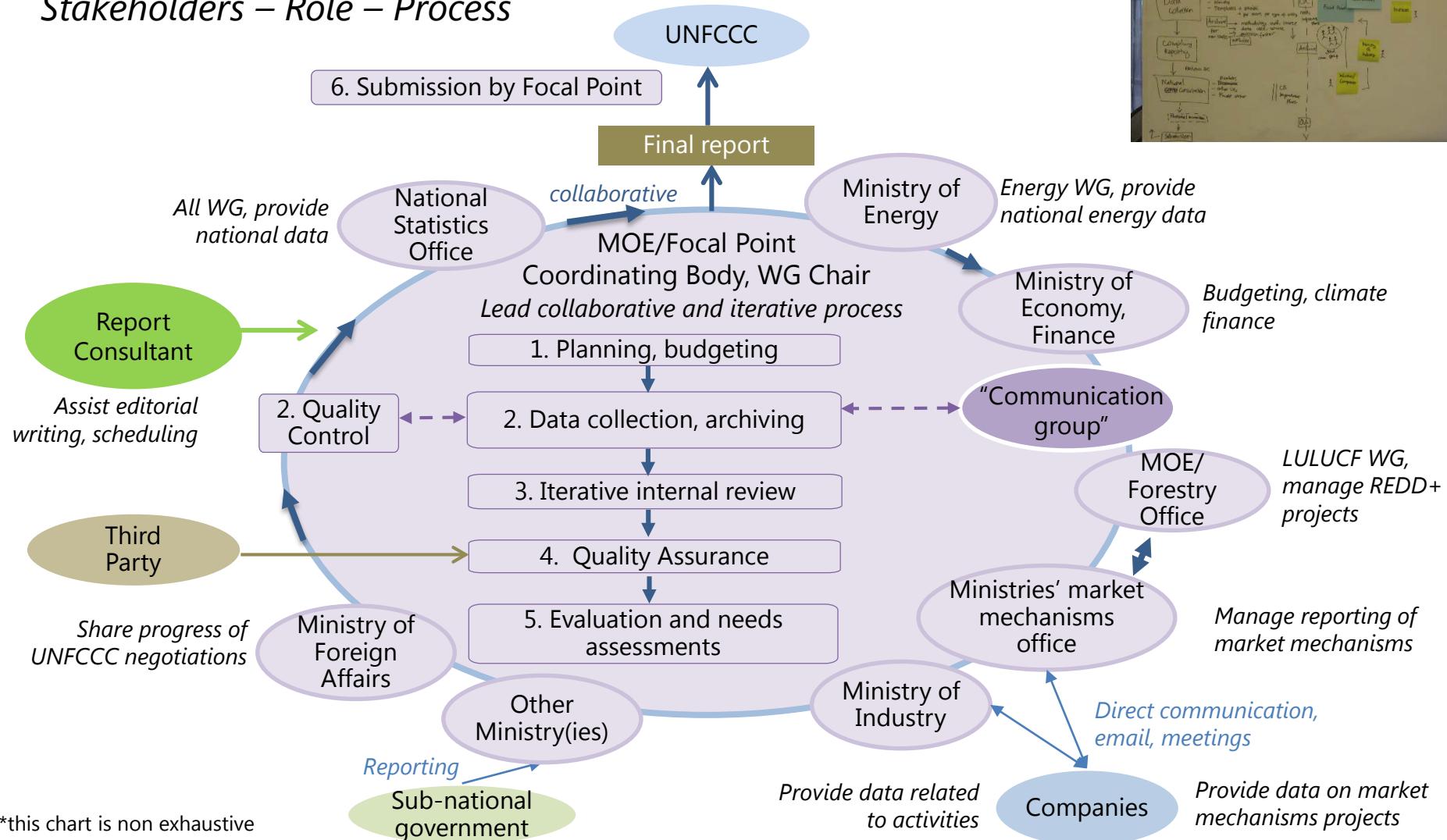
Some common aspects in reporting arrangements found in countries

- Collaborative and iterative process has been in place to some extent in the preparation of national report in some countries, mainly for preparation of inventory.
- All countries recognize that reporting market mechanisms under Kyoto Protocol and Paris Agreement will be different.
- There is no detailed requirement for reporting outcomes of market mechanisms (e.g. CERs) on NC or BUR, thus they are not reported. However, most countries have those data ready.
- Some guidance on reporting (e.g. template) is needed by most countries to help institutional arrangements.

(Findings from the Project's in-country consultations in Thailand, Vietnam, Cambodia, and Lao PDR)

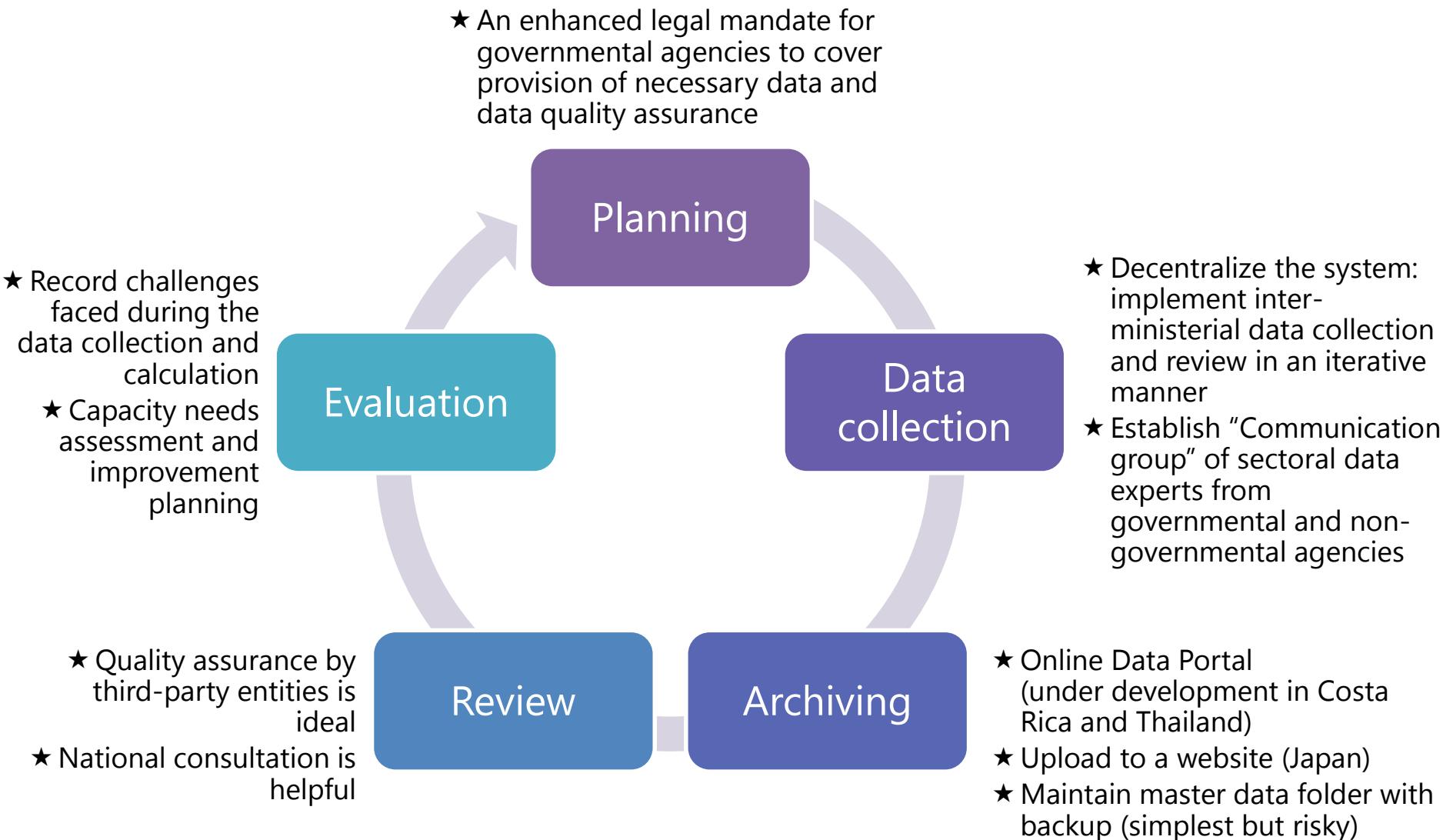
Collaborative and iterative process in preparation of inventory and reporting market mechanisms as key in stakeholders engagement

Stakeholders – Role – Process



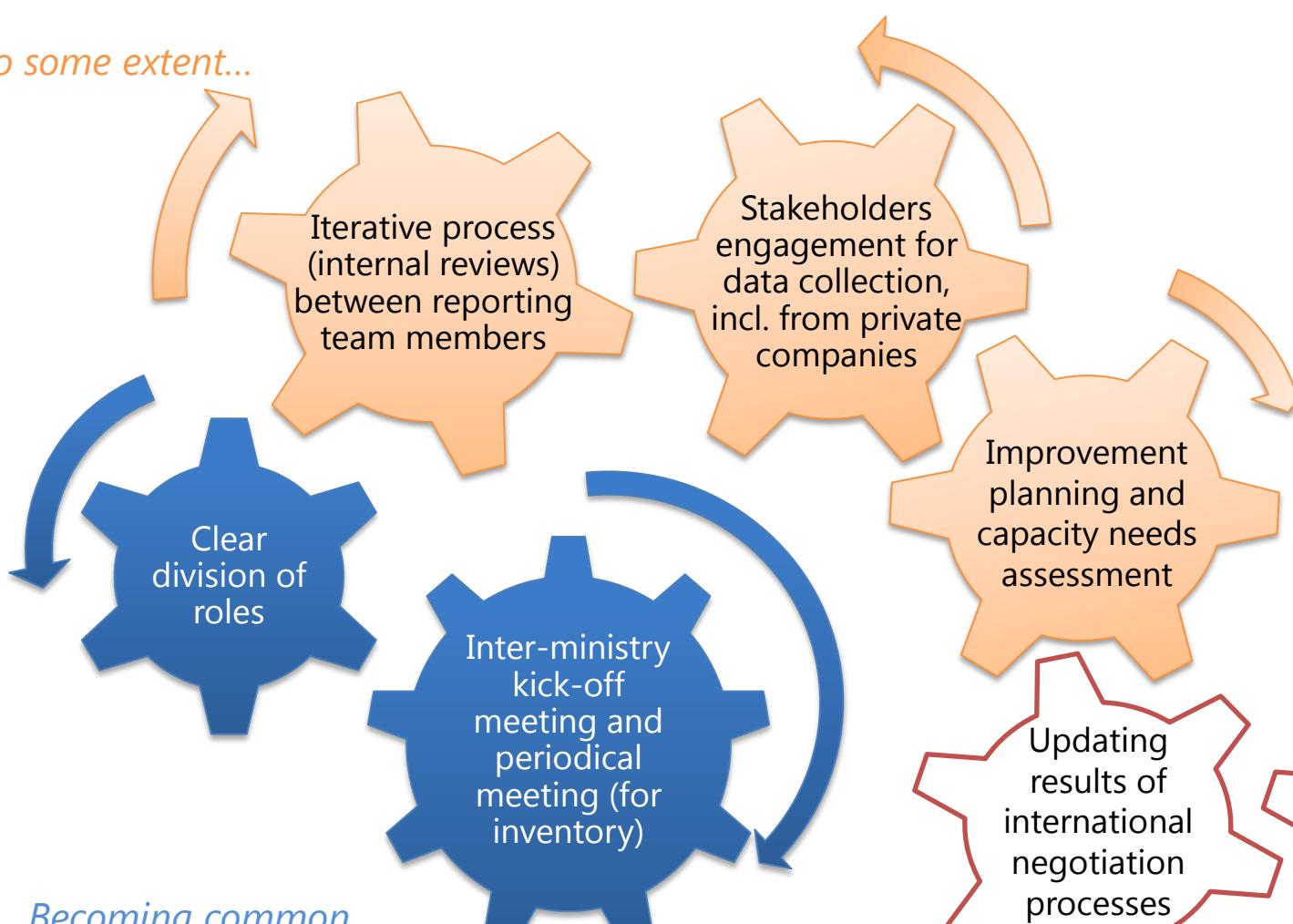
*this chart is non exhaustive

There are various ways to enhance institutional arrangements for enhanced reporting process



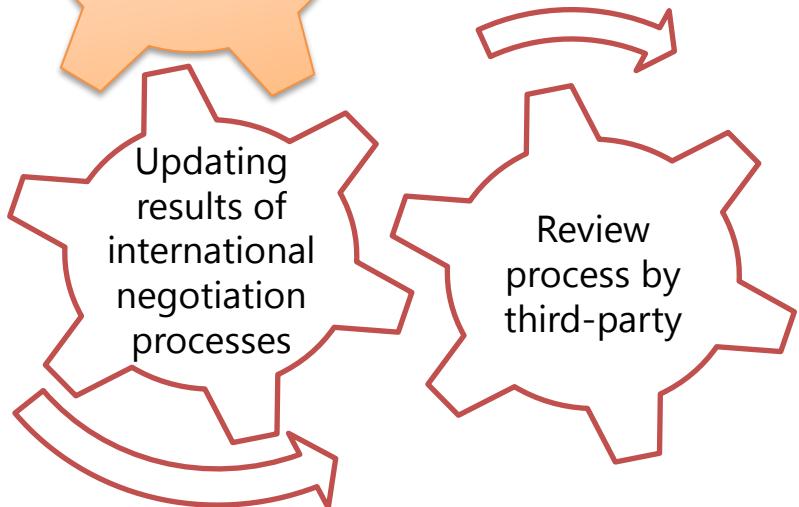
Some good practices to enhance ownership in countries

To some extent...



Becoming common...

To be enhanced...



(Findings from the Project's in-country consultations in Thailand, Vietnam, Cambodia, and Lao PDR)

Summary

Guidance on reporting elements

- ETF MPG should be built on the existing arrangements and capacity for national reporting (BUR, etc.)
- More detailed reporting guidance (e.g. template) are needed by countries to help institutional arrangements, e.g. for effective data collection process.

Institutional arrangements to build ownership for overall reporting

- Capacity building activities and improvement planning on institutional arrangements for reporting can focus on enhancing stakeholders engagement and building capacity of country staffs and system.
- Various ways to enhance institutional arrangements were identified.

Preparation of national report in a collaborative and iterative way will enhance reporting under the new ETF

- Collaboration between coordinators of market mechanisms and national reporting are key for enhancing reporting and meet the ETF requirements, including for reporting the use of market mechanisms.

Thank you to all partners for your
cooperation

Let's avoid double counting!

Follow IGES for #climate news, publications and events



Follow @iges_climate_en

