UNFCCC CLIMATE TRANSPARENCY: LESSONS LEARNED

CENTER FOR CLIMATE AND ENERGY SOLUTIONS

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The Paris Agreement establishes an "enhanced transparency framework" to build mutual trust and confidence and to promote effective implementation. This framework combines common reporting and review requirements for all parties with "built-in flexibility" for developing countries. The agreement requires that parties, in elaborating the operational details of the transparency framework, build on experience with existing transparency arrangements under the U.N. Framework Convention on Climate Change (UNFCCC). Over the past year, developed and developing countries have shared their experiences with the existing transparency system in a variety of public forums. This brief highlights key lessons learned that can help inform the design of the Paris transparency framework.

Article 13 of the Paris Agreement requires that all parties report at least every two years on their greenhouse gas emissions and on progress in implementing their nationally determined contributions (NDCs). In addition, developed countries are to report on support provided; and developing countries on support received. Countries' reports will undergo a review by technical experts, followed by a "multilateral consideration of progress," in which parties can ask one another about their respective efforts.

This enhanced transparency framework will build on experience with existing UNFCCC transparency arrangements. Rules, modalities, and procedures for the enhanced framework are to be completed by 2018 and adopted by the agreement's governing body, known as the Conference of the Parties meeting as the Parties to the Paris Agreement, or the CMA.

Under existing transparency arrangements, all UNFCCC parties are required to submit national communications (NCs) on their mitigation and adaptation actions every four years. Developed countries submit national greenhouse gas inventories annually; developing countries submit them as part of their NCs. Developed country NCs and inventories undergo in-depth review by expert review teams; developing country NCs are not subject to expert review.

In addition to these requirements, the 2010 Cancún Agreements established two parallel processes: one for developed countries, and a less stringent one for developing countries. Under both processes, countries submit biennial reports that update or add to their NCs and describe the steps they are taking to meet their emission reduction goals. (In the case of developing countries, these are known as biennial update reports, or BURs). These biennial reports are considered by technical experts, and then by other parties, in processes known as International Assessment and Review (IAR) in the case of developed countries, and International Consultation and Analysis (ICA) in the case of developing countries.

Parties began conducting multilateral assessments, the peer review portion of IAR, in 2014. The first facilitative sharing of views (FSV), the peer-review portion of ICA, took place on May 20-21, 2016. Both processes will continue at COP 22 in Marrakech, Morocco.

Over the past year, parties, experts, and the Secretariat have shared experiences and lessons learned at side events and during peer reviews.[1] Here are some of the key lessons that have emerged:

International transparency has significant domestic benefits.

One of the most striking lessons shared by parties is that their participation in UNFCCC transparency processes produces many different types of domestic benefits, strengthening engagement across governments and with stakeholders, and contributing to better policymaking.

Many say that the process of gathering and reporting climate data:

- *Starts important conversations.* Canada and South Africa, for instance, have described how collecting and sharing greenhouse gas and other climate data across sectors and actors serves as a foundation for "conversation" between different levels of government and with and among relevant stakeholders.
- *Becomes a whole government effort.* Capturing climate action across all levels of government is what Singapore calls a "whole government" effort. The need to coordinate data collection gives the climate issue greater prominence with non-environmental ministries, such as finance and energy. At the first FSV, Singapore noted the importance of creating the right institutional arrangements to coordinate agencies' efforts and ensure top-down support from ministers.
- *Helps identify mitigation opportunities and challenges.* Gathering comprehensive emissions data and tracking it over time helps governments identify emissions trends and areas to focus mitigation efforts. The resulting conversations among agencies and stakeholders helps to reveal mitigation opportunities and better understand how climate efforts fit with other domestic development priorities. Azerbaijan, for instance, noted that the system it is developing to generate emissions data and share it domestically is helping to identify sectors with significant mitigation potential and inform the development of national priorities.
- *Helps track and inform policy implementation.* Robust greenhouse gas inventories provide a critical tool for tracking and assessing the effectiveness of domestic climate policies. At a C2ES side event, Canada and the European Commission noted that regular reporting requires parties to continually update information and data, which in turn generates interest in and benefits domestic climate and development policy decision making.

A facilitative approach has helped parties overcome their apprehensions about the transparency process.

Developing countries, which historically lack resources and technical experience, may find the prospect of regular, comprehensive reporting and review daunting. Singapore said it at first found the process intimidating, only to discover that it was very constructive.

Parties have come to see that the process is more of a dialogue than an interrogation subjecting them to judgment or criticism. Expert reviewers provide recommendations or suggestions that promote continual improvement in reporting and strengthen the expertise of country experts. Vietnam noted the value of being able to ask expert reviewers clarifying questions on information, data, and methodologies as soon as they arise.

This technical exchange helps parties learn and improve with experience. Bosnia & Herzegovina observed that mistakes actually help parties improve by identifying obstacles and areas for improvement. New Zealand recalled that an expert review team challenged the assumption in its first greenhouse gas inventory that New Zealand's forests were neither a source nor a sink. After taking a closer look, New Zealand concluded that its forests were in fact a net sink, and established a better system to track forest cover.

As parties better understand what reviewers are looking for, they learn to more clearly express their domestic policies to an outside audience. Similarly, Tunisia said that its first experience with FSV allowed it to "rediscover" its BUR through "external" eyes. By understanding how experts, policymakers, and other parties could view their reports, parties learn to more clearly express conclusions drawn from the data and highlight their achievements. Developing countries also find that technical analysis of their BURs helps to identify capacity-building needs and areas for improvement.

Peer-to-peer sharing of experience also builds capacity and increases parties' confidence. Azerbaijan, Singapore and others underscored the importance of training workshops to strengthen capacity in developing countries. Yamil Bonduki, Technical Advisor at UNDP, noted that training also has an incentivizing effect, empowering key stakeholders to carry out their work and to coordinate amongst themselves.

Building stronger in-country capacity is key to effective developing country participation.

Episodic project funding for the preparation and submission of greenhouse gas inventories makes it difficult for developing countries to maintain ongoing data collection and to provide regular training to experts to prepare those inventories. Senegal noted that financial assistance from the Global Environment Facility (GEF) for the preparation of NCs and BURs is tied to the timing of these reports. As Peru and Azerbaijan related, this often leads developing countries to rely on external consultants whose expertise departs when a report is finished.

Starting the technical analysis process soon after submission of the biennial update report can ensure that the national team of experts is still available to participate in the process. However, sustained support to establish strong institutions and in-country expertise would greatly enhance the ability of developing countries to effectively participate in transparency processes.

Building in-country capacity also helps to incentivize key players and institutions and establish a sense of ownership at the national and institutional level. As South Korea noted, an additional benefit of standing processes and expertise is that a report like the BUR does not feel like an additional burden.

The UNFCCC transparency system is continuously improving itself.

Over time, many factors including regular assessment, sharing of experience, training, and periodic updating of guidelines have helped improve the quality of reporting and review.

Updating reporting and review guidelines has been critical to improving inventory data, the quality and timeliness of reporting, and the technical review process for experts. The Secretariat found that in the past gaps in reporting guidelines contributed to a lack of clarity and structure in developed country national communications, making them difficult to understand and to compare. Uruguay said that lack of clarity in the BUR guidance led some developing countries to not report on support received. Several parties noted that improvements to the guidelines have made it easier for them to report fully, accurately and on time.

Even for expert reviewers, the process is a learning one. Greenhouse gas inventory lead reviewers meet regularly to share their experiences and draw lessons. A Brazilian expert said lead reviewers often offer suggestions to improve the quality and efficiency of reviews. A regularly updated *Handbook for Review of National GHG Inventories* is a useful resource for new and experienced reviewers. And the "Review Practice Guidelines," an informal, "living" document intended to ensure consistency among reviews, is updated after each review cycle.

The Secretariat itself uses feedback and self-assessment to simplify reporting and review. Jigme, team lead of the International Consultations and Analysis Support Unit, said the Secretariat does its best to make the transparency process more familiar and predictable through its outreach to parties. The Secretariat also learns by doing, using feedback from parties and experts to improve. Uruguay agreed, pointing to Secretariat support, feedback, and technical clarifications that have helped provide a clearer picture and a schedule of activities for the process.

Technology makes reporting and review easier and more effective.

Parties noted that access to cutting-edge software can improve the user-friendliness and effectiveness of the reporting and review process. It can help manage and archive key data, maintain the continuity of the compilation process, and make data available in a user-friendly, searchable format.

Video-teleconference technology allows parties and experts to communicate more easily than ever before, reducing the costs and burdens of more traditional communication. The Secretariat has realized that while an in-person discussion may be ideal, the availability of alternatives such as email and videoconferencing software like Skype have strengthened its engagement with

parties. Vietnam noted that Skype made it possible for all its relevant experts to "meet," which enabled them to formally request the technical support they needed.

CONCLUSIONS

Parties' experiences with existing UNFCCC transparency processes provide valuable lessons to inform the design of the enhanced transparency framework established by the Paris Agreement.

The overarching lesson shared by parties has been "learning by doing," and what parties have learned has produced multiple, mutually reinforcing benefits. Countries not only get better at meeting their international reporting obligations over time, but in the process, tend to improve their domestic governance, capacity and policymaking as well.

As governments complete the design of, and begin implementing, the Paris transparency framework, a key priority is building the in-country capacity of developing countries. Parties must consider how the newly established Paris Committee on Capacity Building and the Capacity Building Initiative for Transparency can work together to enhance parties' ability to build and sustain the institutions and technical expertise needed to effectively participate in, and benefit from, transparency mechanisms.

Other priorities are designing the framework in a way that ensures a continued facilitative approach, and investing it with the ability to improve over time. Building these features into the framework can help ensure that it meets the goals outlined in the Paris Agreement—building mutual trust and confidence, and promoting effective implementation.

ENDNOTE

1 Views expressed at the following events:
- Paris Climate Change Conference, "Update on ICA Process" side event (December 7, 2015)
- Climate Change Experts Group Global Forum on the Environment and Climate Change, Plenary Roundtable discussion "Enhancing Transparency on the Ground" (March 15, 2016)
- Bonn Climate Change Conference, first workshop of the Facilitative Sharing of Views (May 20-21, 2016)
- Bonn Climate Change Conference, Center for Climate and Energy Solutions, "Learning from UNFCCC Transparency Experience: Perspectives of Parties and Expert Reviewers" side event (May 23, 2016)
- Bonn Climate Change Conference, "International Consultation and Analysis" side event (May 25, 2016)

C2ES CENTER FOR CLIMATE AND ENERGY SOLUTIONS

The Center for Climate and Energy Solutions (C2ES) is an independent, nonpartisan, nonprofit organization working to forge practical solutions to climate change. Our mission is to advance strong policy and action to reduce greenhouse gas emissions, promote clean energy, and strengthen resilience to climate impacts.

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