



Reference Manual for the Enhanced Transparency Framework under the Paris Agreement

Understanding the enhanced transparency framework and
its linkages to nationally determined contribution accounting



United Nations
Climate Change Secretariat

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Abbreviations and acronyms

Annex I Party	Party included in Annex I to the Convention
BTR	biennial transparency report
CGE	Consultative Group of Experts
CH₄	methane
CMA	Conference of the Parties serving as the meeting of the Parties to the Paris Agreement
COP	Conference of the Parties
CO₂	carbon dioxide
CO₂ eq	carbon dioxide equivalent
CRT	common reporting table
CTF	common tabular format
ETF	enhanced transparency framework (under the Paris Agreement)
FMCP	Facilitative, multilateral consideration of progress
FREL	forest reference emission level
FRL	forest reference level
GDP	gross domestic product
GHG	greenhouse gas
IPCC	Intergovernmental Panel on Climate Change
LDC	least developed country
LULUCF	land use, land-use change and forestry
MPGs	modalities, procedures and guidelines
MRV	measurement, reporting and verification
NDC	nationally determined contribution
NF₃	nitrogen trifluoride
N₂O	nitrous oxide
QA/QC	quality assessment/quality control
REDD+	reducing emissions from deforestation; reducing emissions from forest degradation; conservation of forest carbon stocks; sustainable management of forests; and enhancement of forest carbon stocks (decision 1/CP.16, para. 70)
SBI	Subsidiary Body for Implementation
SF₆	sulfur hexafluoride
SIDS	small island developing State(s)
Wetlands Supplement	<i>2013 Supplement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories: Wetlands</i>
2006 IPCC Guidelines	<i>2006 IPCC Guidelines for National Greenhouse Gas Inventories</i>
2019 Refinement to the 2006 IPCC Guidelines	<i>2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories</i>



Chapter 1

INTRODUCTION

1. Introduction

1.1 The Paris Agreement

The adoption of the Paris Agreement was a pivotal moment in the global effort to address climate change. The Paris Agreement brings all Parties together for the first time in a common and united purpose based on responses to climate change determined individually by countries. The Paris Agreement calls on Parties to establish NDCs to communicate the actions they intend to take domestically and, if applicable, internationally, to both mitigate and adapt to climate change, as well as to support other countries, by means of financial, technology development and transfer and capacity-building initiatives, in their mitigation and adaptation efforts.

Under the Paris Agreement, processes to track national-level efforts have been established to assess whether countries are meeting their goals and whether the collective sum of individual contributions is on track to meet the overall purpose and goals of the Agreement, in particular, the goal of holding the global average temperature increase to well below 2 °C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5 °C above pre-industrial levels.

Building on the reporting and review processes under the Convention, the Paris Agreement establishes an ETF for reporting and review to ensure the transparency of mitigation and adaptation actions and the transparency of support. The framework is to be implemented in a facilitative, non-intrusive, non-punitive manner, respectful of national sovereignty, and shall avoid placing undue burden on Parties, recognizing the special circumstances of the LDCs and SIDS.

Many of the requirements of the ETF under the Paris Agreement are familiar to Parties, particularly developed country Parties, given their experience with MRV under the Convention and its Kyoto Protocol. The ETF has new MRV requirements, particularly for developing countries. Importantly, Article 2, paragraph 2, calls for the implementation of the Paris Agreement to reflect the principles of equity and common but differentiated responsibilities and respective capabilities in the light of different national circumstances. These principles are highlighted in Article 13, paragraph 2, and are specifically manifested in provisions to offer flexibility to those developing country Parties that need it in the light of their capacities in meeting the ETF requirements with a view to enabling improved reporting and enhanced transparency by all Parties over time. The ETF should, in turn, encourage higher ambition and action (see Figure 1) by making more readily available information both on progress made

► *Article¹ 13.3 and decision 18/CMA.1, annex, para. 3(a)*

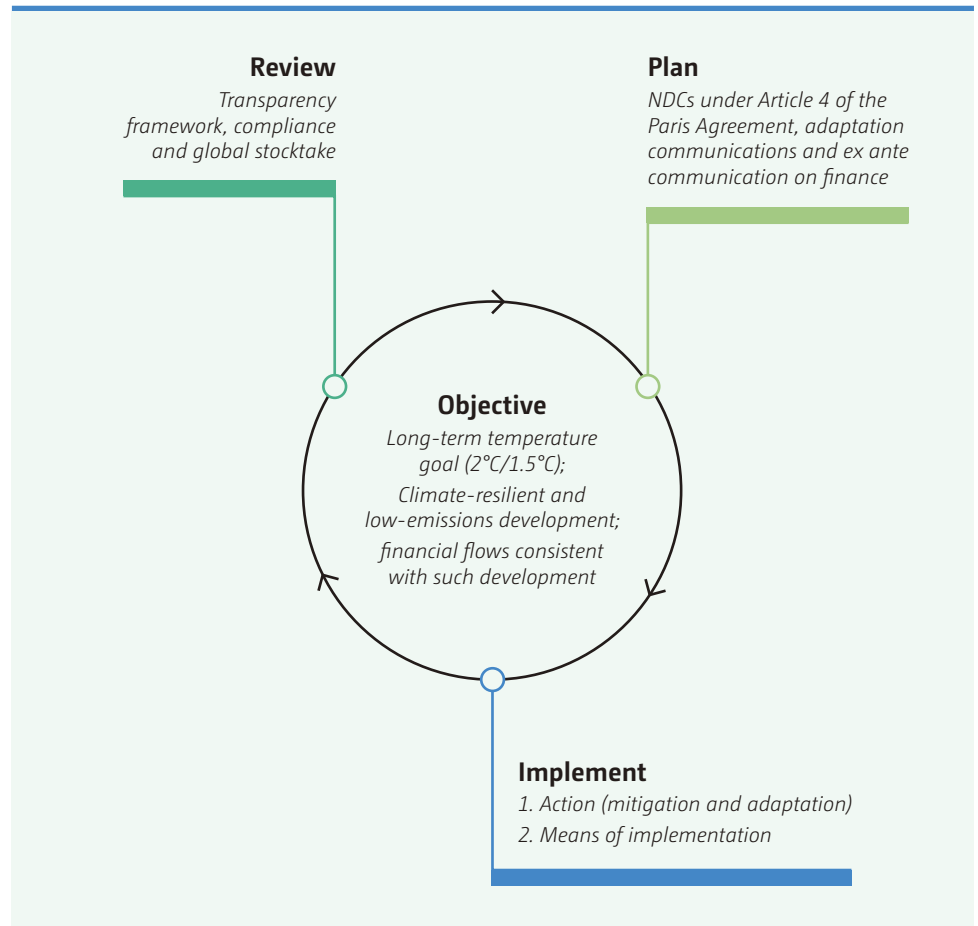
► *Article 2.2*

► *Article 13.2*

► *Article 13.14 and 13.15, and decision 18/CMA.1, annex, para. 9*

1 All references to "Article" in the left-hand margin refer to Articles of the Paris Agreement.

Figure 1
Nationally determined contributions and the enhanced transparency framework in the overall cycle of ambition



by Parties implementing and achieving NDCs under Article 4 of the Paris Agreement and on the financial, technology development and transfer and capacity-building support provided and mobilized by developed countries and needed and received by developing countries.

This link between transparency and the receipt of financial, technology development and transfer and capacity-building support by developing countries is recognized in the Paris Agreement itself, as well as in the MPGs.

► [Decision 18/CMA.1, annex, paras. 70 and 146\(b\)](#)

Fundamental innovations under the Paris Agreement are the national determination of commitments by Parties, which results in diverse actions possible under the NDCs, and the discretion offered to countries regarding which relevant indicators they may use to track progress in meeting the goals in their NDCs. This discretion in the choice of indicators translates into a process whereby Parties may track progress towards similar goals using different indicators, which will introduce new obligations on reviewers in considering Parties' implementation and achievement of their NDCs.

It will be the task of all Parties during the periodic global stocktake (to be undertaken every five years) to assess whether the collective sum of the diverse national-level actions is meeting the goals of the Paris Agreement, and to refocus actions and support if it is not.

The tracking of progress in implementing and achieving the NDCs – which will be informed by the accounting guidance adopted and the accounting approach(es) selected by Parties – and the broader concept of transparency under Article 13 are both fundamental building blocks of the Paris Agreement. Neither the Paris Agreement nor subsequent decisions taken at COP 24 define the key terms ‘NDC accounting’, ‘tracking progress’ and ‘transparency’. An attempt to define them is not made here either; rather, the terms are described as concepts to help the reader understand the relationships among them.

► *Decision 18/CMA.1, annex,
paras. 1–2, 146 and 189*

Transparency under the Paris Agreement refers to the reporting of information by a Party in its BTR (including information on the GHG inventory, the accounting approach(es) selected and the indicators used for tracking progress and support provided and received), and the review of that information through a technical expert review and FMCP, all of which enhance the integrity of implementation of the Agreement. Transparency is also central to the communication of NDCs, wherein Parties are to include in their communication information necessary to facilitate clarity, transparency and understanding of their actions. The provision of clear and understandable data and information in the BTR and the NDC helps the ETF to ensure transparency.

► *Decision 19/CMA.1,
paras. 36–37*

Information gained from reporting and review under the ETF acts as an input to the global stocktake under Article 14 of the Paris Agreement. The stocktake is a global-level assessment to determine progress being made, at a collective level, towards achieving the purpose and long-term goals set out in Article 2 of the Agreement.

► *Decision 4/CMA.1, para. 17*

► *Article 13.7(b) and
decision 18/CMA.1, section III*

NDC accounting generally refers to the processes, rules and principles used by Parties to inform the tracking of progress in implementing and achieving their NDCs established under Article 4 of the Paris Agreement (see Box 1). Parties must account for their NDCs in their BTRs, including in a structured summary, using IPCC methodologies and common metrics. Where this is not possible, they must provide information on the methodology applied.

Box 1

Nationally determined contributions under Article 4 of the Paris Agreement

This Manual focuses on transparency under Article 13 of the Paris Agreement, including transparency as it relates to NDCs communicated under Article 4. While the reference to NDCs in this document is limited to those communicated under Article 4, it is acknowledged that Article 3 makes a broader reference to NDCs that includes actions related to adaptation, finance, technology transfer, capacity-building and the ETF.

In their BTRs, Parties are required to report information on the GHG inventory and information (e.g. indicators, methodologies and assumptions) that enables them to **track progress** in implementing their NDCs and, ultimately, to demonstrate whether they have achieved their NDCs, including any mitigation targets. Indicators for tracking the progress made may be quantitative and/or qualitative, and the selection and reporting of information is guided by the accounting approach(es) applied by the Party.

1.2 Purpose of this manual

This manual serves primarily as a tool for increasing the understanding of technical expert reviewers of the BTRs of the requirements related to reporting and review of information contained in these reports and how this information is relevant to a Party's overall implementation of the Paris Agreement. The manual offers guidance on the relevant decisions of the COP and the CMA and aims to assist technical expert reviewers in fulfilling their tasks under the Paris Agreement. The roles and processes of the committee to facilitate implementation and promote compliance and of the global stocktake are addressed in so far as they relate to the ETF. The manual also provides the expected timelines of the various processes over the next decade based on the current decisions and provides a link to the latest available frequently asked questions that may help users navigate the Paris Agreement. References to the relevant decisions are provided, where appropriate, to enable the reader's understanding of the legal basis of the Agreement.

Although technical expert reviewers of the BTRs are the primary audience of this manual, it may also be of interest to Parties when communicating their NDCs, when reporting information in their BTRs, including information on tracking progress in implementing and achieving the communicated NDCs, and when engaging in the technical review and the FMCP processes. Members of bodies, such as the committee to facilitate implementation and promote compliance, the CGE and other capacity-building providers and trainers under the Paris Agreement may also find this manual useful. National experts and practitioners from developing country Parties may also wish to consult the technical handbook produced by the CGE in 2019, which is aimed at supporting developing country Parties in preparing for implementation of the ETF (CGE, 2019).

Chapter 1 provides an overview of the Paris Agreement and the cycle of ambition, from the communication of the NDC through to the global stocktake. Key terms related to the ETF are introduced and the purpose of the manual is explained.

Chapter 2 introduces the individual elements of the Paris Agreement: the NDC communication, BTR submission, technical expert review, FMCP and global stocktake. The committee to facilitate implementation and promote compliance is also introduced.

Chapter 3 synthesizes the requirements of Parties related to the ETF, highlighting the linkages of these requirements with NDC communication and NDC accounting. The chapter sets out the areas where specific flexibility is offered to those

developing country Parties that need it in the light of their capacities. Chapter 3 is divided into three sections, which outline the requirements for:

- The communication of the NDC, including the type of information to be included in the NDC to facilitate clarity, transparency and understanding of the NDC;
- The provision of information in the BTR that will facilitate transparency and allow the tracking of progress in implementing and achieving the NDC, including application of the flexibility provisions;
- The technical expert review and FMCP.

Chapter 4 highlights institutional arrangements related to transparency, including a discussion of both institutional arrangements embedded in the Paris Agreement and those that are to be established by each country to enable effective implementation of the ETF.

Chapter 5 introduces the process of the global stocktake, focusing on its role in the cycle of ambition, and discussing how the outputs under the ETF serve as inputs to the global stocktake.

Chapter 6 examines the ways in which Parties may interact with the committee to facilitate implementation and promote compliance, specifically in the context of Article 13 of the Paris Agreement.

The three **annexes** provide a timeline relevant to the ETF (annex I), frequently asked questions on the operationalization of the ETF (annex II) and references used in this manual (annex III).

This is the first edition of the manual. Operationalization of the Paris Agreement is in its early years. Once negotiations conclude on key elements related to NDC accounting and the ETF, the manual will be revised so as to contain the most up-to-date information. The authors – recognizing that key details are yet to be developed regarding the procedures for accounting for Article 6 activities, the overall outline of the BTR, including how to present the information therein in a structured summary, and the common reporting formats and tables to be used – do not prejudge the outcome of these negotiations.

► [Article 4.9 and 4.19](#)

Given that the focus of this manual is on technical expert reviewers' roles and obligations in relation to the ETF, its scope does not encompass all actions required of Parties and reviewers under the Paris Agreement. For example, the manual does not explore the synergies between the communication of NDCs every five years and the communication of long-term low GHG emission development strategies. Also, when establishing national institutional arrangements to communicate and account for NDCs, countries may consider how subnational, national and international efforts to implement their NDCs can reinforce any long-term low GHG emission development strategy communicated, but a discussion of this aspect of NDCs remains outside the scope of the manual. Nor is the manual designed specifically for capacity-building, although it may be useful in the context of a large project on capacity-building for transparency.



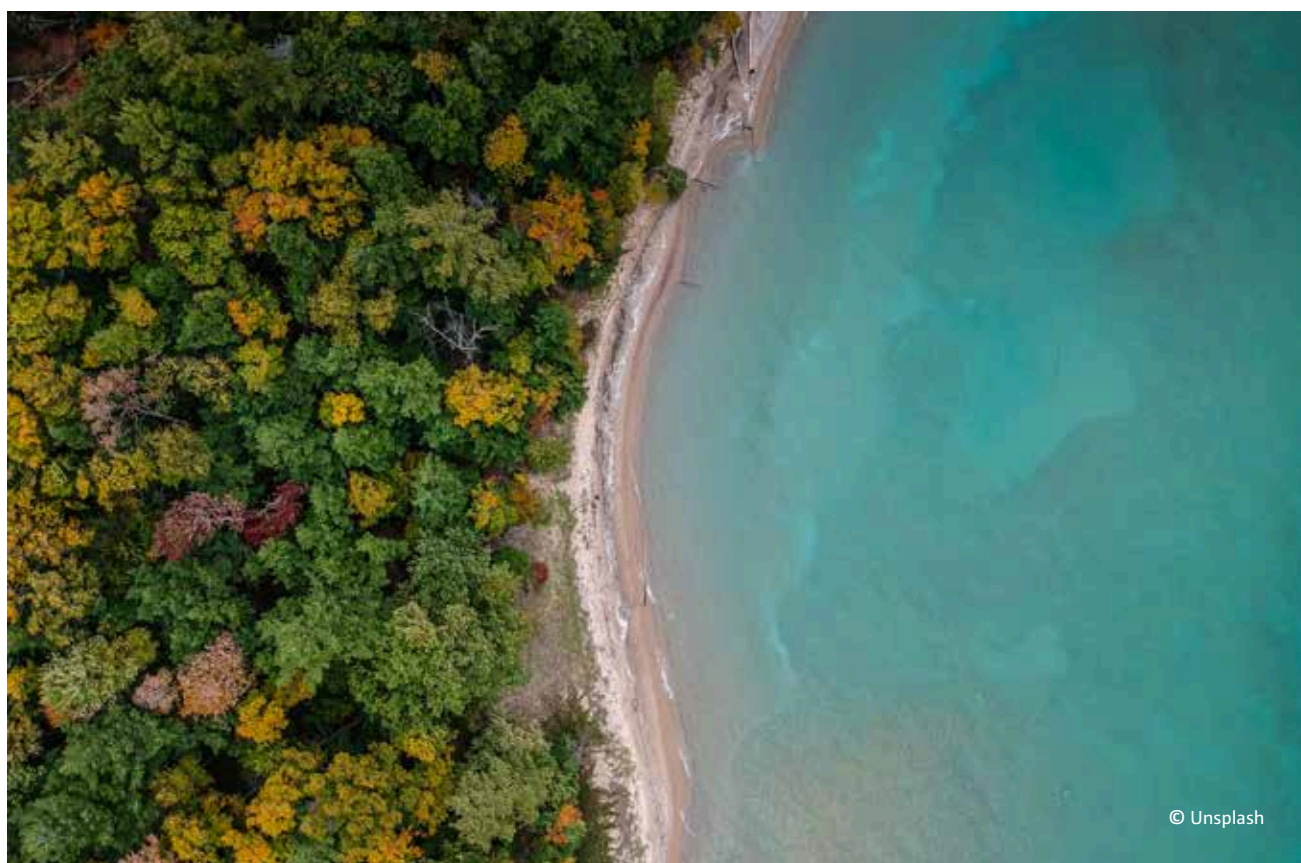
Chapter 2

**THE PARIS
AGREEMENT:
THE BIG PICTURE
FROM A
TRANSPARENCY
PERSPECTIVE**

2. The Paris Agreement: the big picture from a transparency perspective

This chapter provides an overview of the Paris Agreement, particularly as relates to the ETF (and in turn the ETF's linkages with the NDCs), the global stocktake and the committee to facilitate implementation and promote compliance. The chapter illustrates how information flows from Parties' NDCs to their BTRs, and onward as input to the global stocktake. Chapters 3, 5 and 6 go into greater detail on issues related to transparency and accounting, the global stocktake, and the facilitation of implementation and promotion of compliance, respectively.

The Paris Agreement, adopted by Parties to the Convention in December 2015, was a pivotal moment in the UNFCCC process to address climate change. All Parties came



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to the table and, united with a common goal, agreed to do their part to contribute to the solution to this challenge. The Paris Agreement entered into force on 4 November 2016, after having been ratified by at least 55 Parties accounting for at least 55 per cent of global GHG emissions.²

► Article 2

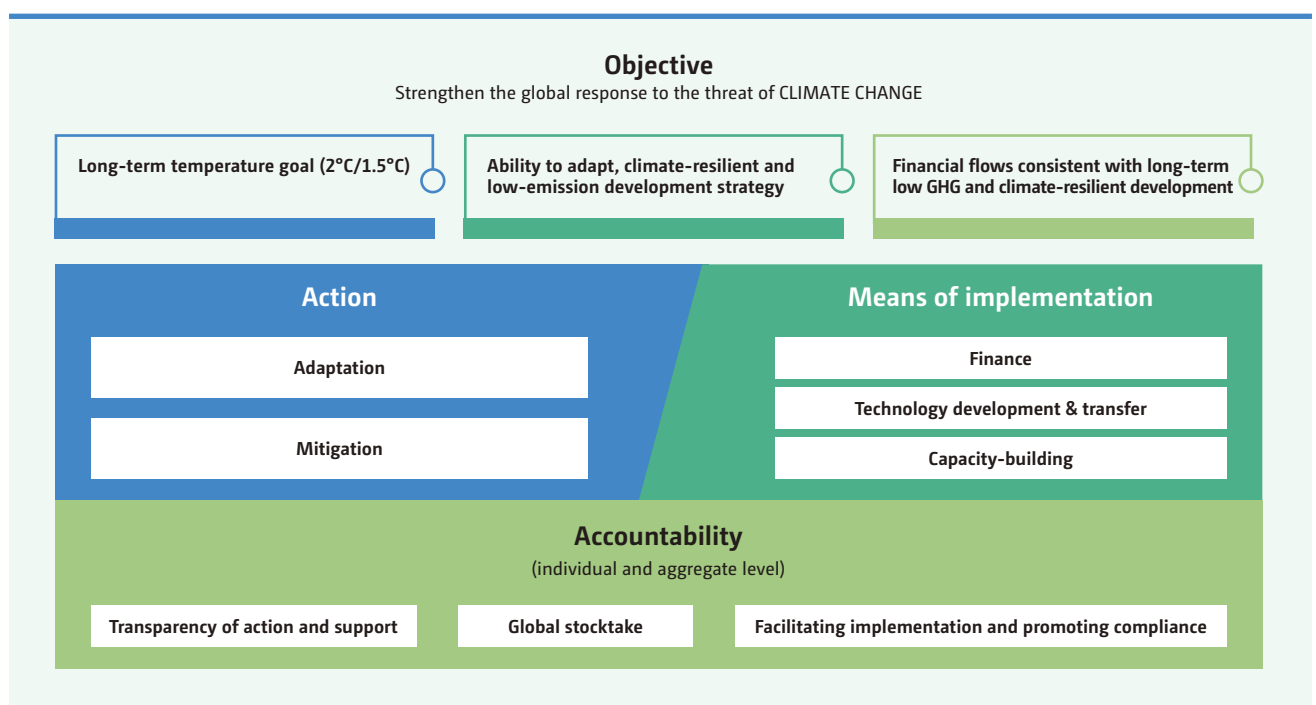
In aiming to enhance the implementation of the Convention, one of the primary goals of the Paris Agreement, as set out in its Article 2, is to hold the global average temperature increase to well below 2 °C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5 °C above pre-industrial levels in order to significantly reduce the risks of climate change. The goals embedded in the Paris Agreement also aim to increase countries' abilities to adapt to the adverse impacts of climate change and foster low GHG emission development pathways, making financial flows consistent with such pathways (see Figure 2).

► Article 2.2

The Paris Agreement brings together countries with different economic, political and social circumstances; developed countries and developing countries, among these SIDS and the LDCs, are all committed to ambitiously addressing climate change. The Agreement will be implemented in a manner that reflects equity and the principle of common but differentiated responsibilities and respective capabilities, in the light of different national circumstances.

² <https://unfccc.int/process/the-paris-agreement/status-of-ratification>

Figure 2
The Paris Agreement: the big picture from a transparency perspective



2.1 Nationally determined contribution communication and the enhanced transparency framework

To achieve the goals in Article 2, Parties agreed to a common set of four steps, as illustrated in Figure 3.

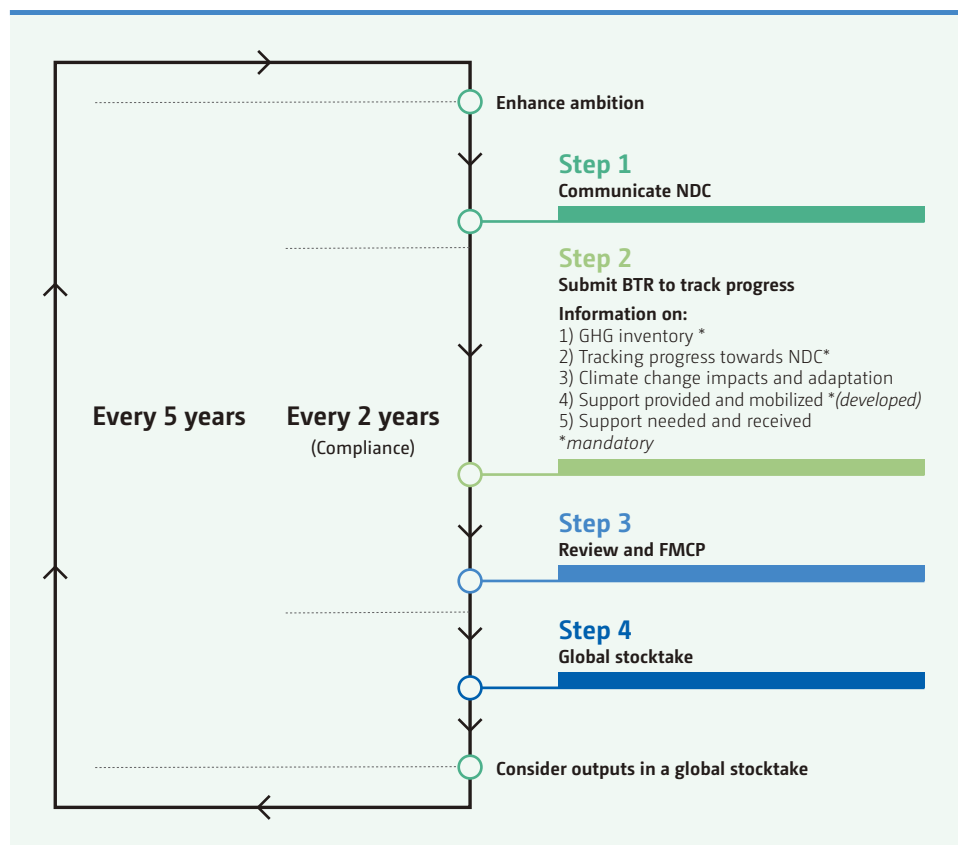
► Article 4.2, 4.3, 4.8 and 4.9, and decision 4/CMA.1

Step 1. Communication of NDC under Article 4. Under Article 4 of the Paris Agreement, Parties are required to prepare, communicate and maintain successive NDCs (i.e. climate-related goals and related policy actions they intend to achieve within a certain time frame). The Agreement emphasizes that Parties shall pursue domestic mitigation measures to help achieve the NDC. The NDC, including information necessary to facilitate clarity, transparency and understanding, must be communicated every five years. Each new NDC represents a progression from the previous one, reflecting the Party's highest possible ambition as well as its differentiated responsibilities and respective capabilities in the light of different national circumstances.

► Article 4.4 and 4.6

The nature and scope of the NDC is defined by each Party following the guiding principles that developed country Parties should take the lead by setting economy-wide

Figure 3
Nationally determined contribution accounting under Article 4 of the Paris Agreement



absolute emission reduction targets and developing country Parties should continue to enhance their mitigation efforts, though they are encouraged to move to economy-wide reduction or limitation commitments over time in the light of their different national circumstances. SIDS and the LDCs have the option of developing strategies, plans or actions for low GHG emissions development.

► *Decision 9/CMA.1, para. 3*

► *Article 13.7 and
decision 18/CMA.1, paras. 3–4*

► *Article 13.8–13.10*

► *Decision 4/CMA.1,
para. 17 and annex II,
and decision 18/CMA.1,
annex, paras. 64–79*

► *Article 13.11–13.12 and
decision 18/CMA.1,
section VII*

► *Article 13.11 and
decision 18/CMA.1,
section VIII*

The NDC may also serve as a vehicle for the Party to submit an adaptation communication.

Step 2. Submission of BTRs. Every two years, beginning at the latest in December 2024, all Parties, except for SIDS and the LDCs, which may submit this information at their discretion, are required to submit a BTR providing country-specific information on their implementation of the Paris Agreement, namely, a national GHG inventory³ and information necessary to track progress in implementing and achieving their NDC.

Developing country Parties that need it in the light of their capacities are provided with specific flexibilities for reporting some of this information (see chap. 3 for further information). In addition, developed countries must, and other Parties that provide support should, provide information on the financial, technology development and transfer and capacity-building support provided and mobilized to developing countries to support their implementation of the Paris Agreement. Developing countries are encouraged to communicate the support they need and have received. All Parties should also provide information on climate change impacts and adaptation.

The BTR is the vehicle for Parties to report on the accounting of their NDCs, including in the structured summary of the data and other information provided in the report. Accordingly, a Party should describe its NDC in the BTR and provide the information necessary to track progress in implementing and achieving it. The specific information reported in the BTR will be informed by the requirements in the NDC accounting guidance and the accounting approach(es) selected by the Party.

Step 3. Technical expert review of the BTR and FMCP. The review of information reported by Parties is essential to collective implementation efforts and is conducted in two stages. First, the information reported in the BTR is assessed by independent experts through a technical expert review process to determine whether it is in accordance with the MPGs. The experts then draft a report with their findings regarding the Party's adherence to the reporting requirements and areas for improvement.

Second, this review report, along with other information provided by the Party, is considered in a Party-led public discussion on the state of implementation of the Paris Agreement in its country, referred to as the FMCP.

The reporting and review of the BTR, along with the FMCP, will take place over a two-year cycle for each Party (see Figure 3).

³ Annex I Parties must continue to report an annual GHG inventory in accordance with decisions 3/CP.5, para. 2, and 1/CP.24, para. 42.

► [Article 14 and
decision 19/CMA.1](#)

Step 4. Global stocktake. Every five years, Parties will participate in the global stocktake under the CMA. Each global stocktake will take place over approximately one and a half to two years and will evaluate the implementation of the Paris Agreement to assess collective progress towards achieving its purpose and long-term goals. The global stocktake is a Party-driven process that includes the participation of non-Party stakeholders. It is designed to technically assess all inputs related to both mitigation and adaptation, including GHG inventory information reported by Parties, progress made in implementing and achieving NDCs, and the financial, technology development and transfer and capacity-building support provided, needed and received. The global stocktake will also consider efforts made in relation to loss and damage and response measures and, in a Party-driven and cross-cutting manner, inputs on equity and the best available science.

The global stocktake aims to provide insight into the implementation of the Paris Agreement to assess the progress being made collectively, towards achieving the purpose and long-term goals of the Paris Agreement. It will not focus on any individual Party, but rather will produce high-level key messages and best practices to inform Parties in updating and enhancing, in a nationally determined manner, their actions and support, and will enhance international cooperation (see chap. 5 for further information).

► [Articles 4.9 and 14.3](#)

The insights gained from the global stocktake also aim to inform each Party in its development of subsequent NDCs in a progressive manner with a view to preventing backsliding and to enhancing international cooperation on climate action.

► [Article 15 and
decision 20/CMA.1](#)

2.2 Committee to facilitate implementation and promote compliance

Parties established a committee as a mechanism to facilitate implementation of the Paris Agreement and promote compliance with its provisions. The committee is available to constructively engage with Parties during all stages of implementation, and a Party may approach the committee with issues it faces in implementation. When a Party is unable to meet certain obligations, for example, those related to the communication of the NDC, submission of the BTR and participation in FMCP, the committee will intervene and provide support to the Party. The Committee may also intervene, with the consent of the Party, in cases of significant and persistent inconsistencies with the MPGs (see chap. 6 for further information).



Chapter 3

ARTICLE 13
REPORTING AND
ACCOUNTING
FOR NATIONALLY
DETERMINED
CONTRIBUTIONS

3. Article 13 reporting and accounting for nationally determined contributions

► *Articles 4.13 and 13.7–13.10, and decision 4/CMA.1, paras. 6 and 17*

Although the two processes are intrinsically linked, NDC accounting is distinct from NDC reporting. NDC accounting is carried out through the BTRs. Parties communicate, or report, a significant amount of information in their NDCs and BTRs. In communicating an NDC, Parties provide information necessary for clarity, transparency and understanding. In the BTR, information reported includes emission levels, domestic actions to mitigate and adapt to climate change, and the status of financial, technology development and transfer and capacity-building support for mitigation and adaptation activities in the country. While consideration of all such information is integral to the effective global achievement of the goals under Article 2 of the Paris Agreement, not all information reported in the BTR is relevant for the purposes of understanding the Party's approach to NDC accounting and its tracking of progress made in implementing and achieving the NDC.



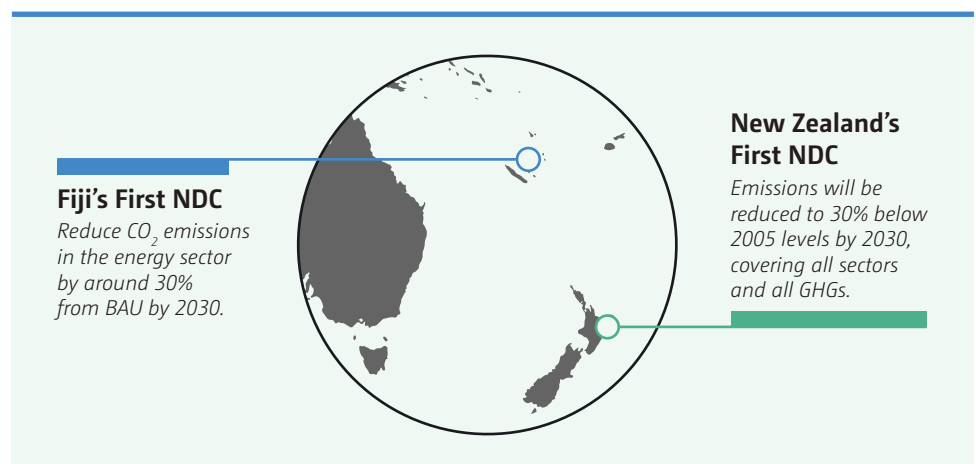
The structured summary reported in the BTR is one means for Parties to provide accounting information on their NDC (see section 3.2.2.3). Other information presented in the BTR and some of the information presented when communicating the NDC is also relevant to NDC accounting. The exact format and contents of the structured summary are still under discussion, with a final decision on this matter expected at CMA 3. This manual will be updated to reflect this decision and any others related to the reporting of a structured summary.

► *Decision 18/CMA.1, annex, paras. 65–77*

What is already known is that each Party must track progress towards implementing and achieving its NDC and identify and report relevant indicators. Parties may select the indicators they deem most appropriate. The indicators may be quantitative or qualitative and must be relevant to the NDC Parties communicate.

A national GHG inventory reported by a Party in its BTR should be complete and cover all anthropogenic sources and sinks in the country. While the GHG inventory will be reviewed, not all emissions and removals need to be considered in the Party’s NDC accounting. NDC accounting will be country-specific and driven, inter alia, by the goal(s) and scope of coverage (e.g. gases, sources, sinks) of the NDC and the accounting approaches applied. For instance, considering the NDCs communicated by Fiji and New Zealand, both Parties would report a GHG inventory covering all anthropogenic sources of emissions and sinks in accordance with decision 18/CMA.1 (see Figure 4). However, Fiji’s NDC accounting would reflect its goal to reduce CO₂ emissions from the energy sector, while New Zealand’s NDC accounting would cover all GHG sources and sinks as described in its NDC, in accordance with Article 4 of the Paris Agreement. For both countries, it would be logical to track progress with a GHG indicator given the type of NDC. But the information for tracking progress is not necessarily limited to indicators related to GHG emissions – other quantitative or qualitative metrics identified by the Parties may also be considered (e.g. the share of renewable energy in the fuel mix).

Figure 4
Nationally determined contribution goals communicated by Fiji and New Zealand



► *Decision 4/CMA.1, annex II*

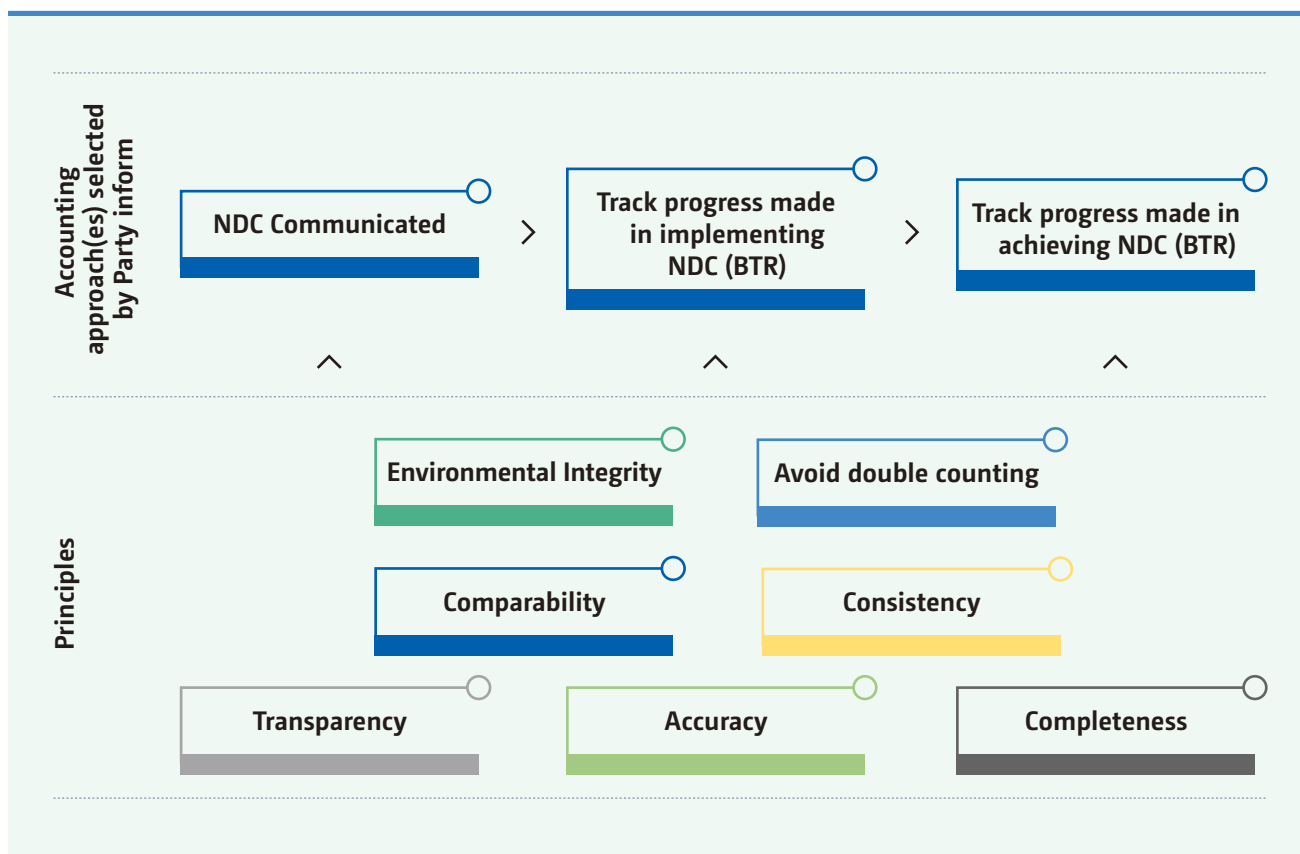
► *Article 4.1 and decision 4/CMA.1*

Countries have discretion in defining the scope and nature of the goal(s) in their NDC and the indicators they deem relevant to tracking progress towards implementing and achieving that NDC. The Paris Agreement establishes a framework of principles and requirements for NDC accounting that guides Parties in assessing and reporting in the BTR on the progress they are making towards implementing their NDC, and ultimately whether they have achieved it. These guiding principles are transparency, accuracy, completeness, consistency and comparability, as well as the promotion of environmental integrity and the avoidance of double counting (see Figure 5).

Building on these principles, the accounting framework relies on relevant information being consistently included in both the NDC and the BTR (both for the GHG inventory, where relevant, and for tracking progress in implementing and achieving the NDC). Specifically, there should be consistency in information related to the scope and coverage of the sources and sinks included in the NDC and the sources and sinks tracked in the BTR, including information on the GHG inventory, the IPCC methods applied, the assumptions made and the data sources consulted.

The information reported on the outcomes of a Party’s accounting (i.e. whether the Party is making progress in implementing, or has achieved, its NDC) is drawn

Figure 5
Relationship between tracking the progress and accounting of nationally determined contributions



► *Decision 4/CMA.1, annex I, decision 4/CMA.1, para. 17, and decision 18/CMA.1, sections VII and VIII*

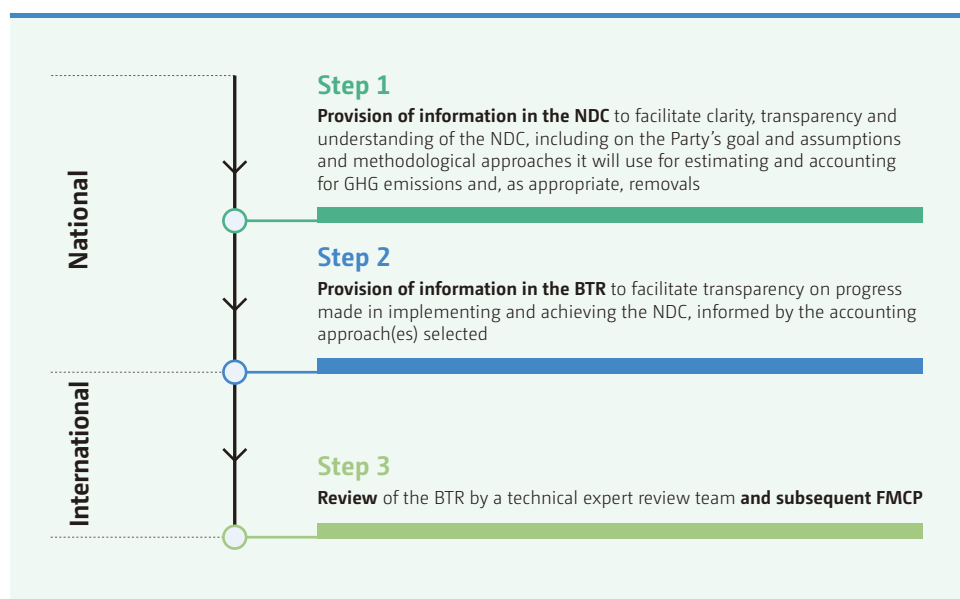
from the Party's choice of accounting approach(es) as well as any decisions adopted under Article 6 and decisions on the presentation of information in the structured summary.

Within the NDC accounting framework, the same three steps to take in accounting for NDCs apply to each Party (see Figure 6). In the first step, the provision of information necessary to facilitate transparency, clarity and understanding of the NDC includes the Party's goal(s), assumptions and methodological approach(es) to be used in estimating GHG emissions and removals and accounting, as appropriate, for its NDC. In the second step, the information in the BTR to facilitate transparency and track progress towards achievement of the NDC, considers the accounting approach(es) elected in step one. It is in step two that Parties also organize the reported information into a structured summary reflecting the outcomes of their NDC accounting. These first two steps take place at the national level. Step 3, the technical expert review of the BTR and FMCP, takes place at the international level.

► *Decision 18/CMA.1, annex, paras. 70 and 146(a)*

In summary, the NDC accounting process begins with a Party providing transparent information in its NDC on the contribution it intends to make. Then, on a biennial basis, in its BTR, the Party reports information on its progress in implementing the NDC. In the BTR containing the final information for the implementation period of the NDC, the Party provides an assessment indicating whether it has achieved the goal(s) in its NDC. Each BTR, including the Party's final assessment, is reviewed for consistency with the reporting requirements. Every five years a new NDC is communicated and the process is repeated. The remainder of this chapter provides detailed information on each of the three steps in the process.

Figure 6
Steps for accounting for the nationally determined contribution within the enhanced transparency framework



► *Decision 4/CMA.1, annex I and decision 18/CMA.1, annex, section III, and section VII*

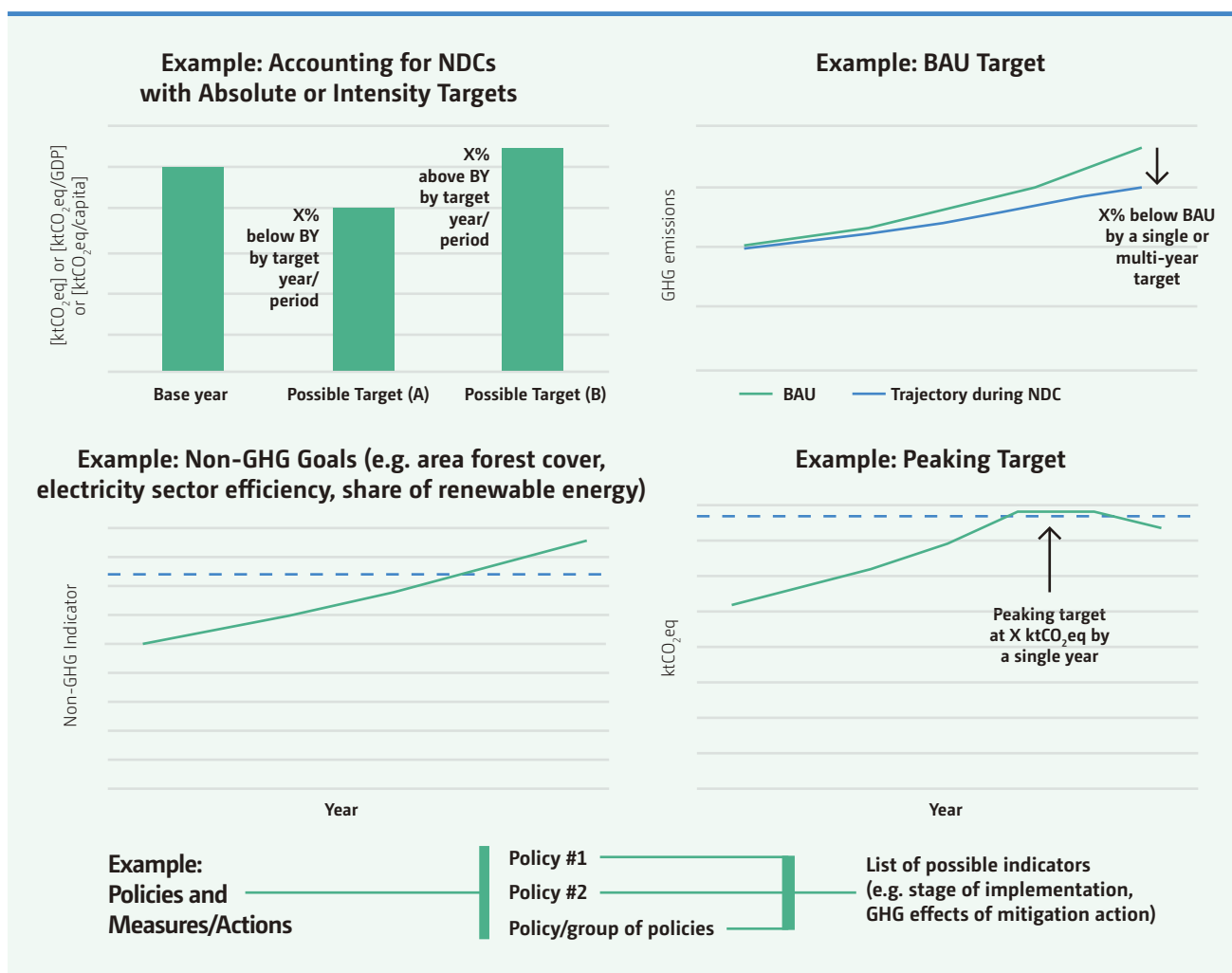
3.1 Communication of the nationally determined contribution

Because they are defined at the national level, NDCs can come in many forms (UNFCCC, 2015). Common classifications for the goals set out in NDCs are as follows (see also Figure 7).

1. **Absolute emission reduction or limitation target relative to a base year.** These targets may be economy-wide or sector-specific. They can reflect a decrease in emissions as compared with a base year or reflect a limitation or an increase from base year emissions. They can also take the form of a target for carbon neutrality. The Paris Agreement specifies that developed country Parties should undertake economy-wide emission reduction targets, while developing countries are encouraged to move over time towards economy-wide emission reduction or limitation targets.

► *Article 4.4*

Figure 7
Common types of goals in nationally determined contributions



2. **Emission reduction target below a ‘business as usual’ level.** This type of target involves a Party developing the ‘business as usual’ scenario – across the entire economy or for a sector – and committing to limiting emissions to a level below that projected under the ‘business as usual’ trajectory. The target may reflect a single year or a budget over multiple years.
3. **Intensity target.** These targets are typically framed as limiting emissions to a pre-defined amount of GHG emissions (or carbon or energy) per unit of output (e.g. per GDP unit or per capita).
4. **Peaking target.** A peaking target allows a Party to emit increasing amounts of GHG emissions for a specified period and then peak either at a certain level of emissions or in a certain year. In this context, the country may define what a ‘peak’ is and how it differs from inter-annual variation.
5. **Policies and actions.** In this case, a Party does not necessarily commit to GHG-based action, but rather to implementing one or a series of policies and actions designed to address climate change given the national circumstances (e.g. a low carbon development strategy for urban planning, renewable energy legislation).
6. **Other.** Other targets in NDCs communicated by Parties to date, which in some cases overlap with the ones identified above, include tracking the mitigation co-benefits of adaptation actions and non-GHG targets (e.g. the share of renewables in the energy sector, an increase in forest land area, or a specified measure of energy efficiency).

Countries may have several types of goals in their NDC (UNFCCC, 2015). For example, in its first NDC,⁴ China communicated its intentions to (1) achieve peak CO₂ emissions around 2030 and make its best efforts to peak earlier, (2) lower CO₂ emissions per unit of GDP by 60–65 per cent from the 2005 level, (3) increase the share of non-fossil fuels in primary energy consumption to around 20 per cent and (4) increase the forest stock volume by around 4.5 billion cubic metres from the 2005 level.

Alternatively, a country may agree, unconditionally, to commit to adopting a suite of policies and measures that address climate change at the national level, while agreeing to commit to other domestic programmes upon receipt of adequate funding.

Regardless of the goals chosen, a Party must account for its NDC.

► [Article 4.8](#)

To understand how a Party is making progress in implementing and achieving its NDC, the goal(s) comprising it and how the Party intends to track progress on them must be made clear. Therefore, the credibility of both NDC accounting and the ETF regime begins with the provision of information by a Party in its NDC that facilitates clarity, transparency and understanding of the NDC.

⁴ Available at the NDC Registry (<https://www4.unfccc.int/sites/NDCStaging/Pages/All.aspx>).

► [Decision 4/CMA.1, para. 7](#)

What constitutes the information necessary to facilitate clarity, transparency and understanding will differ by the types of targets and goals constituting the NDC as well as by the national circumstances of the Party. This information must be reported as of the second NDC, although Parties are strongly encouraged to include it in any NDC communicated or updated in 2020.

► [Decision 4/CMA.1, annex I](#)

Figure 8 illustrates the broad categories of information necessary to facilitate clarity, transparency and understanding that must be provided in the NDC, as applicable. All Parties, regardless whether they have GHG goals or non-GHG goals, must provide information necessary to facilitate clarity, transparency and understanding applicable to their NDCs. As already noted, some NDCs contain more than one goal. The seven categories of information shown in the figure should be reported for each goal. Some of the details provided in the information necessary to facilitate clarity, transparency and understanding (e.g. planning processes and how the NDC contributes towards achieving the objective of the Convention) may be common to more than one goal in the NDC and may be described accordingly, whereas other elements of this information, such as reference points, time frames, assumptions and methodological approaches may be unique to each goal.

Table 1 explores the types of information that Parties could consider when drafting their NDC. The examples in the table are indicative of the types of information included in existing NDCs and should not be seen as prescriptive or limiting in any way the discretion of Parties. The first two columns are extracted from the relevant provisions in annex I to decision 4/CMA.1. The last column provides further guidance on the types of information that might be considered. Parties should explicitly consider each provision and may choose to take note of, or explain in the NDC, cases where the information required is not applicable owing to the type of goal(s) in the NDC they have communicated.

► [Decision 4/CMA.1, annex I](#)

Figure 8

Type of information to be included for each goal of a nationally determined contribution

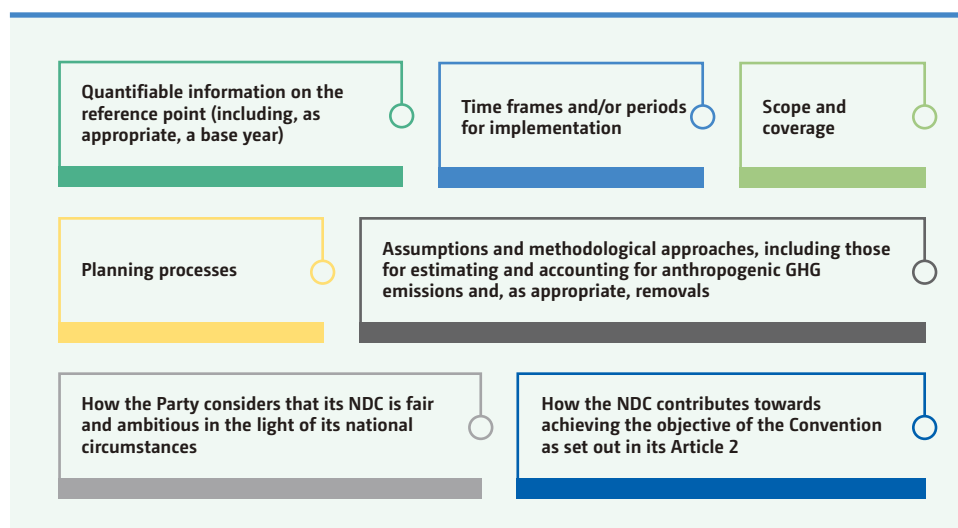


Table 1

Specific information to be communicated in the nationally determined contribution, as applicable, to ensure clarity, transparency and understanding

Reference in decision 4/CMA.1, annex I	Information provided for clarity, transparency and understanding of NDCs	Explanation of the type of information to be provided, together with NDC, when applicable
<p>Paragraphs 1(a), 1(b), 1(d) and 2(b)</p>	<p>Reference year(s), base year(s), reference period(s) or other starting point(s); quantifiable information on the reference indicators and their respective values in the selected start year(s) and target year(s), including whether this refers to a single-year or multi-year target; and indication of the target relative to the reference indicator.</p>	<p>Provide the start year(s) and target years(s), including whether the target will be achieved in a single year or the Party has a budget over multiple years. Provide answers to the following questions, as applicable: What is the overall goal compared with the start year (e.g. X per cent below 1990 by 2030 on an absolute basis, renewable energy target by 2025)? Is the indicator intensity-based? Is the goal an absolute reduction? Is the action related to technology penetration, etc.?</p>
<p>Paragraphs 1(e), 1(f) and 5(f)(i)</p>	<p>Information on the sources of data used in quantifying reference point(s) and indicators and under which circumstances the Party may update the values of those reference indicators.</p>	<p>Provide information on reference indicators, baseline(s) and/or reference level(s), including how sector-, category- or activity-specific reference levels are constructed, including, for example, key parameters, assumptions, definitions, methodologies, data sources and models used. Provide relevant references for any data and assumptions applied, and state what, if anything, could trigger an update to those values (e.g. the 1990 emission level in the GHG has been updated to reflect more accurate data).</p>
<p>Paragraph 1(c)</p>	<p>For strategies, plans and actions referred to in Article 4, paragraph 6, of the Paris Agreement, or policies and measures as components of NDCs where decision 4/CMA.1, annex I, paragraph 1(b) is not applicable, Parties are to provide other relevant information.</p>	<p>The LDCs and SIDS could describe their strategies, plans and actions for low GHG emissions development. Where provision of quantifiable information on reference indicators is not applicable to a Party's communicated NDC, it could provide other qualitative information related to the goal(s) (e.g. a narrative description of intended actions, milestones and drivers).</p>
<p>Paragraph 2(a)</p>	<p>Time frame and/or period for implementation, including start and end date and whether the goal is for a single year or multiple years.</p>	<p>Provide the period over which the actions set out in the NDC are applicable (e.g. 2020–2030). Note that the SBI continues to discuss common time frames for NDCs (Article 4, para. 10, of the Paris Agreement).</p>
<p>Paragraph 3(a–b)</p>	<p>General description of the target(s), including sectors, gases, categories and pools.</p>	<p>Provide information on the gases (i.e. CO₂, CH₄, N₂O, hydrofluorocarbons, perfluorocarbons, SF₆ and/or NF₃), sectors and categories covered using the IPCC category classification as defined in the CRTs (to be agreed at CMA 3).</p>

Table 1 (continued)

Specific information to be communicated in the nationally determined contribution, as applicable, to ensure clarity, transparency and understanding

Reference in decision 4/CMA.1, annex I	Information provided for clarity, transparency and understanding of NDCs	Explanation of the type of information to be provided, together with NDC, when applicable
Paragraph 3(c)	How the Party considered paragraph 31(c–d) of decision 1/CP.21.	If not all categories or gases have been included, provide an explanation as to why certain sources, sinks or gases have been excluded. Recognizing that Parties are to continue including previously covered categories and gases in their NDCs, provide an explanation for any category or gas that was previously reported but is no longer reported.
Paragraphs 3(d) and 4(d)	Mitigation co-benefits resulting from Parties' adaptation actions and/or economic diversification plans, including descriptions of specific projects, measures and initiatives of Parties' adaptation actions and/or economic diversification plans, and how the economic and social consequences of response measures were considered.	Quantitative and/or qualitative information could be provided on the mitigation co-benefits of other actions. Information provided could cover, but need not be limited to (1) key sectors such as energy, water resources, coastal resources, human settlements and urban planning, agriculture and forestry, and (2) economic diversification actions, which may cover, but are not limited to, sectors such as manufacturing and industry, energy and mining, transport and communication, construction, tourism, real estate, agriculture and fisheries.
Paragraph 4(a)	Information on the planning processes to develop the NDC.	Information could include domestic institutional arrangements (e.g. the institutions, actors and procedures involved), national circumstances affecting those arrangements (e.g. geography, national priorities) and other contextual information the Party deems relevant.
Paragraph 4(b)	Specific information applicable to Parties, including regional economic integration organizations and their member States, that have reached an agreement to act jointly under Article 4, paragraph 2, of the Paris Agreement.	If a Party has entered into formal arrangements with another Party to the Paris Agreement, it should notify the secretariat at the time it submits its NDC (Article 4, para. 16) and describe the arrangements with the other Party and its obligation under those arrangements.
Paragraph 4(c)	How the Party's preparation of its NDC has been informed by the outcomes of the global stocktake.	The global stocktake will result in a CMA decision and/or declaration that will reference the thematic summary reports and a factual cross-cutting synthesis report from the technical assessment component of the stocktake. The decision will identify opportunities and challenges for enhancing action and support, as well as possible measures and good practices, including for international cooperation. Parties could describe how they have considered these outputs.

Table 1 (continued)

Specific information to be communicated in the nationally determined contribution, as applicable, to ensure clarity, transparency and understanding

Reference in decision 4/CMA.1, annex I	Information provided for clarity, transparency and understanding of NDCs	Explanation of the type of information to be provided, together with NDC, when applicable
<p>Paragraph 5(a–f)</p>	<p>Assumptions and methodological approaches used for accounting for GHG emissions and removals and/or policies, measures and strategies.</p>	<p>Parties using IPCC guidelines could describe:</p> <ul style="list-style-type: none"> (a) The use of the relevant IPCC guidelines (i.e. methods, metrics, assumptions for specific categories and gases); (b) The treatment of LULUCF (e.g. natural disturbances, the age–class structure of forests, whether accounting will be land-based or activity-based); (c) The parameters, assumptions, methods, definitions and data sources related to the development of reference indicators, drivers, base years, target years, baseline construction and triggers for making adjustments to any factors; (d) How they have taken into account transparency, accuracy, completeness, consistency and comparability, promoted environmental integrity and avoided double counting (Article 4, paras. 13–14, of the Paris Agreement); (e) If applicable, the financial, technological and/or capacity-building support needed to implement the intended goal(s). <p>Parties with a non-GHG component of the NDC or gases not included under IPCC guidelines could provide:</p> <ul style="list-style-type: none"> (a) Information on assumptions and methodological approaches used in relation to those components; (b) If applicable, financial, technological and/or capacity-building support needed to implement the intended goal(s).
<p>Paragraph 5(g)</p>	<p>Intention to use voluntary cooperation under Article 6 of the Paris Agreement.</p>	<p>If the Party intends to enter (or has already entered) into an agreement to use voluntary cooperation, further information on the assumptions and approaches and the Parties concerned could be provided, if known.</p>
<p>Paragraph 6(a–b)</p>	<p>How the Party considers that its NDC is fair and ambitious in the light of its national circumstances, reflecting on equity.</p>	<p>As Parties will be guided by national circumstances, the narrative provided here will be country-specific, but a Party could describe how it defines “fair” and “ambitious” in this context, taking into account equity.</p>

Table 1 (continued)

Specific information to be communicated in the nationally determined contribution, as applicable, to ensure clarity, transparency and understanding

Reference in decision 4/CMA.1, annex I	Information provided for clarity, transparency and understanding of NDCs	Explanation of the type of information to be provided, together with NDC, when applicable
Paragraph 6(c)	How the Party has addressed Article 4, paragraph 3, of the Paris Agreement.	Describe how the current NDC constitutes a progression beyond previous NDCs and reflects the Party's highest possible ambition, in turn reflecting national circumstances. The description could include quantitative elements (e.g. the GHG emissions target is X per cent more stringent than the previous NDC target) and qualitative elements (e.g. information related to policies and measures, national circumstances, and financial, technology development and transfer and capacity-building support needed and received to date).
Paragraph 6(d)	How the Party has addressed Article 4, paragraph 4, of the Paris Agreement.	Developed countries could refer to their absolute economy-wide target and if they do not have such a target, give the reason(s) for this. Developing countries could explain how their mitigation actions have been enhanced since previous actions and, where applicable, explain how their actions are moving towards an economy-wide emission limitation or reduction target. The Party may reflect on relevant national circumstances here.
Paragraph 6(e)	How the Party has addressed Article 4, paragraph 6, of the Paris Agreement.	The LDCs and SIDS could refer to their preparation of strategies, plans and actions for low GHG emission development strategies.
Paragraph 7(a–b)	How the NDC contributes to achieving the objective under Article 2 of the Convention and goals under Article 2, paragraph 1(a), and Article 4, paragraph 1, of the Paris Agreement.	<p>In relation to Article 2 of the Convention, Parties could describe how their NDC contributes to the stabilization of GHG concentrations in the atmosphere at a level that would prevent dangerous interference with the climate system, national GHG emissions and removals in the target year or period, shifting of the estimated peaking year, or longer-term low GHG emission development strategies and plans.</p> <p>In relation to Article 4, paragraph 1, of the Paris Agreement, Parties could describe how their NDC contributes to the goal to hold the global average temperature increase to well below 2 °C above pre-industrial levels and pursue efforts to limit that increase to 1.5 °C. The discussion could, for example, be framed in the context of contributing to global peaking of emissions as soon as possible, with strong reductions thereafter, taking into account national circumstances.</p>

See Box 2 for some tips for Parties to consider when providing information in the NDC.

Box 2

Tips for Parties for providing information in the nationally determined contribution to facilitate clarity, transparency and understanding

- Clearly identify the goal(s) and provide the necessary information from decision 4/CMA.1, annex I, for each goal in the NDC. For examples of NDCs communicated with the specific provisions of 4/CMA.1, annex I, highlighted, refer to the updated first NDCs of Jamaica, Norway, and Singapore^a which were submitted in 2020.
- When developing the NDC, consider how the progress of implementation will be tracked and reported to ensure transparency and consistency of information between the NDC and the BTR. Consider, for example, what will be the indicators. In the case of LULUCF activities, is accounting land-based or activity-based, and will net emissions and removals be accounted using net-net accounting, gross-net accounting or some alternative method?
- While recognizing that the NDC itself is not reviewed, transparency would be enhanced if the Party communicates in the NDC why certain required information is not deemed applicable to the chosen goals in its NDC.

^a Available at the NDC Registry: <https://www4.unfccc.int/sites/NDCStaging/Pages/All.aspx>.

► *Decision 4/CMA.1, annex I, para. 5, and annex II, para. 1, and decision 18/CMA.1, annex, para. 20*

3.1.1 Accounting guidance and the Intergovernmental Panel on Climate Change methodologies: sector-level considerations, including for land use, land-use change and forestry

The information necessary to facilitate clarity, transparency and understanding provided in the NDC is to reflect the sectors, gases, categories and pools that the Party elects to include in its goal or target under Article 4. The information communicated in the NDC includes assumptions and methodological approaches for estimating and accounting for GHG emissions and removals from these sectors, gases, categories and pools, as appropriate. Accounting for GHG emissions and removals must be in accordance with the methodologies and common metrics adopted by the CMA. The CMA has adopted the 2006 IPCC Guidelines as the guidelines for Parties to use in developing their national GHG inventories. Parties are also encouraged to use the Wetlands Supplement. The 2019 Refinement to the 2006 IPCC Guidelines was adopted and accepted during the forty-ninth session of the IPCC in May 2019, but at the time of drafting of this manual, it had not been adopted by the CMA.

Careful consideration by the Party at this stage of the specific methods (e.g. tiers from the 2006 IPCC Guidelines) that will be applied in estimating GHG emissions and removals for categories in the NDC, and whether the requisite data are available to estimate these emissions and removals, can help promote consistency in the application of methods over the implementation period of the NDC.

LULUCF plays an important role in the Paris Agreement; Article 5 encourages Parties to conserve, and enhance, as appropriate, sinks and reservoirs of GHGs as referred to in Article 4, paragraph 1(d), of the Convention, including forests. Developed countries and many developing countries have experience in reporting and accounting for LULUCF activities through existing practices under the Convention and its Kyoto Protocol. For example, most developed countries are currently required to report specific activities under Article 3, paragraphs 3 and 4, of the Kyoto Protocol (afforestation, deforestation and forest management, and if elected, cropland management, grazing land management, revegetation and/or wetland drainage and rewetting) (UNFCCC, 2008). At the same time, under the Convention, some developing countries have elected to undertake REDD+ activities.

► *Decision 1/CP.16, para. 70*

► *Decisions 9–15/CP.19*

► *Decision 4/CMA.1, annex II, para. 1(e–f)*

Table 1 outlined the types of information necessary to facilitate clarity, transparency and understanding that could be included in the NDC with respect to contributions,



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including those that cover the LULUCF sector. As with other sectors, careful consideration when the NDC is being drafted of the information required for accounting of activities related to the LULUCF sector can help facilitate consistency across activities communicated in the NDC and the tracking of progress in implementing and achieving the NDC. In particular, Parties could communicate in the NDC the accounting approach and requisite data availability for accounting for emissions and subsequent removals from natural disturbances on managed lands and for accounting for emissions and removals from harvested wood products, as well as communicate how the effects of age–class structure in forests are accounted. For REDD+ activities, the established technical assessment reporting and review processes under the Warsaw Framework for REDD+ will continue to apply (see Table 2). In this context, any FRLs and/or FRELS the Party has calculated could be communicated, maintaining, where appropriate, consistency among the various reports (i.e. the FRL, the NDC and the GHG inventory). Some possible approaches to account for LULUCF activities are included in Box 3.

Box 3

Examples of approaches to account for land use, land-use change and forestry activities

The Paris Agreement does not define specific accounting rules for the LULUCF sector. The provisions in decision 4/CMA.1 apply to all activities in the NDC communicated under Article 4. Similarly, the principles set out in Article 4, paragraph 13 – that Parties shall promote environmental integrity, transparency, accuracy, completeness, comparability and consistency, and avoid double counting – apply to the LULUCF sector too. Given that the ETF builds on the transparency-related arrangements under the Convention, some accounting concepts under the current MRV system of the Convention and its Kyoto Protocol may be relevant and applied by Parties in their NDCs, as set out below.

Land-based versus activity-based accounting

Building on the definitions in the IPCC report on LULUCF (IPCC, 2000) a **land-based approach** to accounting would take as its starting point the total carbon stock changes in applicable carbon pools on the applicable land areas included in the NDC. Annex I Parties reporting their annual GHG inventory under the Convention currently report using a land-based approach.

An **activity-based approach** estimates the impact of carbon stock changes of determined activities and only considers the land areas attributable to these activities. Annex I Parties reporting under the Kyoto Protocol use an activity-based approach. Parties reporting on REDD+ activities also report using an activity-based approach.

The difference between a land-based and an activity-based system is how covered areas are identified, and the associated land- or activity-specific accounting rules. In both systems, the total change in carbon stocks is accounted and reported.

Net-net versus gross-net accounting

In **net-net accounting**, total net emissions/removals in the base year are subtracted from total net emissions/removals in the accounting period to determine the total amount of credits/debits resulting from these activities. Net-net accounting is applied to several Kyoto Protocol LULUCF activities (cropland management, grazing land management, revegetation, and wetland drainage and rewetting). A **FRL/FREL** is a form of net-net accounting that was introduced in the second commitment period of the Kyoto Protocol for forest management and is also used for REDD+ activities. Reference levels are expressed as t CO₂ eq/year for a reference period against which the actual emissions and removals from an accounting period are compared.

In **gross-net accounting**, the total emissions and removals are considered for the accounting period. This concept was commonly referred to under the first commitment period of the Kyoto Protocol, but in practice all accounting under the Kyoto Protocol is one form or another of net-net accounting, as described above.

Providing the type of information discussed above (i.e. data, sources, methods, approaches, assumptions, etc.) for each sector, category, gas and pool included in the NDC enhances its transparency and enables Parties, technical expert review teams and any other interested stakeholders to better understand how methodological consistency has been assured between the NDC communication and the information reported in the BTR.

3.1.2 Article 6 of the Paris Agreement and accounting for nationally determined contributions

► Article 6.2, 6.4 and 6.8

Article 6 recognizes that some Parties may choose to pursue voluntary cooperation with other Parties in implementing their NDCs to allow for higher ambition in their mitigation and adaptation activities and to promote sustainable development and environmental integrity. Such voluntary cooperation can come in three forms:

1. Voluntary approaches that involve the use of internationally transferred mitigation outcomes;
2. A mechanism to contribute to the mitigation of GHG emissions and support sustainable development;
3. Non-market approaches.

► Article 6.2

The Paris Agreement states that Parties shall apply robust accounting when engaging in cooperative approaches that involve the use of internationally transferred mitigation outcomes towards an NDC to ensure, inter alia, the avoidance of double counting. Finalization of the specific guidance and procedures under Article 6 is expected to be concluded at CMA 3.

3.2 Provision of information in the biennial transparency report to facilitate transparency and track progress in implementing and achieving the nationally determined contribution

The BTR is a key component of the ETF and has two main functions:

To facilitate transparency: The BTR is the primary vehicle by which a Party transparently communicates information on its participation in and contribution to national, regional and global efforts to mitigate and adapt to climate change under the Paris Agreement. It is also where developed countries and other countries that provide support communicate the financial, technology development and transfer and capacity-building support they have provided and mobilized, and developing countries communicate their needs in those areas and the support they have received;

To track progress in implementing and achieving the NDC: The BTR contains the Party's most recent information on its progress in implementing the NDC. The BTR containing the data for the final year of an NDC implementation period sets out the



final accounting of the Party’s assessment of whether it has achieved its NDC. The accounting approaches applied by the Party are also reported in the BTR.

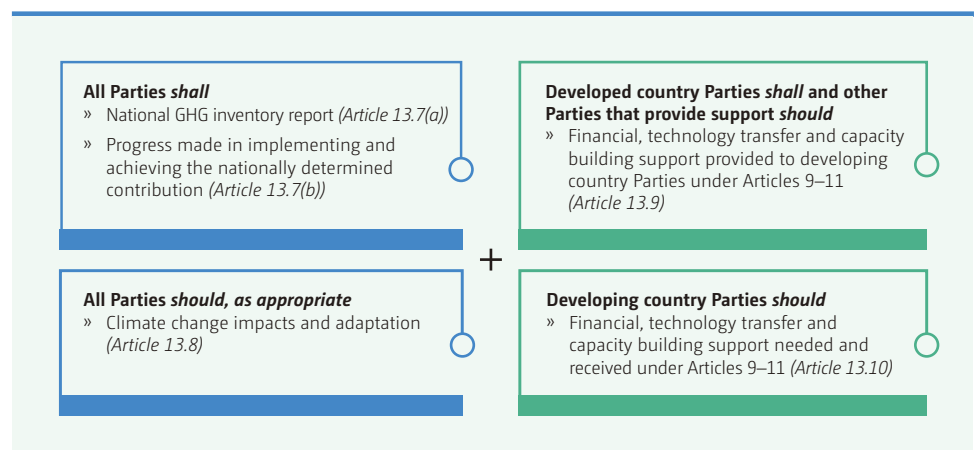
3.2.1 Biennial transparency report and transparency

The submission of the BTR every two years is a way for Parties to highlight their domestic actions to mitigate and adapt to climate change, their cooperation with other countries in these efforts and their progress towards achieving the goal(s) in their NDC.

The BTR itself is composed of several sections and contains both textual information and data in CRTs (for GHG inventory information) and CTF tables (for tracking progress in implementing and achieving the NDC and information on finance, technology development and transfer, and capacity-building). Figure 9 provides an overview of the information that must and the information that should be reported by Parties in their BTR.

Figure 9

Overview of reporting requirements under Article 13 of the Paris Agreement: transparency of action and support



► *Decision 18/CMA.1, para. 12*

Table 2 summarizes the requirements of Parties in preparing their BTR. When following the reporting guidelines, Parties should be aware of what they are required to report (i.e. the item ‘shall’ be reported) and what they are encouraged to report (i.e. the item ‘should’ or ‘may’ be reported). Developing countries that need flexibility in the light of their capacities may apply specific flexibility provisions (see table 3 and section 3.2.2). Decision 18/CMA.1, in combination with the CRTs and CTF tables that are to be finalized at CMA 3, will lay out all the specific reporting requirements, which have therefore not been fully elaborated here.

Table 2

Overview of information to be submitted in the biennial transparency report

Content of the BTR	References	Which Parties are to report the information?	What is to be reported?
National inventory report of GHG emissions by sources and removals by sinks	Article 13.7(a) Decision 18/CMA.1, annex, paras. 17–58 CRT/reporting software (under development) IPCC guidelines	All Parties shall report a GHG inventory	All countries are to report national GHG emissions and removals following the BTR guidelines, which incorporate the 2006 IPCC Guidelines (mandatory) and the Wetlands Supplement (encouraged). Future refinements to IPCC guidelines, including the 2019 Refinement to the 2006 IPCC Guidelines, shall be used once agreed by the CMA. The GHG inventory may be submitted as a stand-alone document (referenced in the BTR along with the provision of summary information) or as a specific section of the BTR. For those developing country Parties that need flexibility in the light of their capacities, specific flexibility provisions may be applied.
Information necessary to track progress in implementing and achieving the NDC	Articles 4 and 13.7(b) Decision 18/CMA.1, annex, paras. 59–103 CTF/reporting software (under development) Country-driven tools/analyses	All Parties shall report this information	<ul style="list-style-type: none"> This section of the BTR contains: <ul style="list-style-type: none"> Information on national circumstances and institutional arrangements relevant to this section heading A description of the NDC Information necessary to track progress (e.g. indicators, use of Article 6, approaches to LULUCF, the structured summary of information reported) Information on mitigation policies and measures, actions and plans, including those with mitigation co-benefits from adaptation actions and economic diversification plans A summary of GHG emissions and removals (if a stand-alone GHG inventory is submitted) Projections of GHG emissions and removals Other information deemed relevant by the Party For those developing country Parties that need flexibility in the light of their capacities, specific flexibility provisions may be applied.

Table 2 (continued)

Overview of information to be submitted in the biennial transparency report

Content of the BTR	References	Which Parties are to report the information?	What is to be reported?
<p>Information on climate change impacts and adaptation</p>	<p>Articles 7.11 and 13.8</p> <p>Decision 18/CMA.1, annex, paras. 104–117</p> <p>Decision 18/CMA.1, annex, para. 14</p>	<p>All Parties should report this information</p>	<ul style="list-style-type: none"> • Some or all this section of the BTR may serve as the adaptation communication under Article 7, paragraphs 10–11. In that case, this should be clearly specified, with an indication of which part of the BTR constitutes the adaptation communication (decisions 9/CMA.1, para. 10, and 18/CMA.1, para. 13). • This section of the BTR should contain, as appropriate, information on: <ul style="list-style-type: none"> • National circumstances, institutional arrangements and legal frameworks relevant to this section heading • Impacts, risk and vulnerabilities • Adaptation priorities and barriers • Adaptation strategies, policies, plans, goals and actions to integrate adaptation into national policymaking • Progress on the implementation of adaptation • Monitoring and evaluation of adaptation actions and processes • Averting, minimizing and addressing loss and damage associated with climate change impacts • Cooperation, good practices, experience and lessons learned • Other matters deemed relevant by the Party • The other information noted above could include the elements of an adaptation communication to be provided by the Party, as listed in the annex to decision 9/CMA.1. • When reporting information related to climate change impacts and adaptation, Parties may cross-reference previously reported information and focus their reporting on updates to such information.

Table 2 (continued)

Overview of information to be submitted in the biennial transparency report

Content of the BTR	References	Which Parties are to report the information?	What is to be reported?
<p>Information on financial, technology development and transfer and capacity-building support provided and mobilized</p>	<p>Articles 9–11 and 13.9 Decision 18/CMA.1, annex, paras. 118–129 CTF/reporting software (under development)</p>	<p>Developed countries shall report this information Other countries providing support should report this information</p>	<p>This section of the BTR contains information on:</p> <ul style="list-style-type: none"> • National circumstances and institutional arrangements relevant to this section heading • Underlying assumptions, definitions and methodologies • Financial support provided and mobilized (multilateral channels; bilateral, regional and other channels; and finance mobilized through public interventions) • Support provided for technology development and transfer • Capacity-building support provided
<p>Information on financial, technology development and transfer and capacity-building support needed and received</p>	<p>Articles 9–11 and 13.10 Decision 18/CMA.1, annex, paras. 130–145 CTF/reporting software (under development)</p>	<p>Developing countries should provide this information</p>	<p>This section of the BTR contains information on:</p> <ul style="list-style-type: none"> • National circumstances, institutional arrangements and country-driven strategies relevant to this section heading • Underlying assumptions, definitions and methodologies • Financial support needed • Financial support received • Technology development and transfer support needed • Technology development and transfer support received • Capacity-building support needed • Capacity-building support received • Support needed and received by developing countries for the implementation of Article 13 and transparency-related activities, including for transparency-related capacity-building

Table 2 (continued)

Overview of information to be submitted in the biennial transparency report

Content of the BTR	References	Which Parties are to report the information?	What is to be reported?
Annex: REDD+	Decision 18/CMA.1, para. 14 Decision 14/CP.19, para. 7	Developing countries that seek payments of results-based actions through REDD+ shall provide this annex	<p>The information to be reported is as contained in the annex to decision 14/CP.19, specifically:</p> <ul style="list-style-type: none"> • Summary information from the final report containing each corresponding assessed FREL/FRL, which includes: <ul style="list-style-type: none"> • The assessed FREL/FRL, expressed in t CO₂ eq • The activity or activities referred to in decision 1/CP.16, paragraph 70, included in the FREL/FRL • The territorial forest area covered • The date of the FREL/FRL submission and the date of the final technical assessment report • The period (in years) of the assessed FREL/FRL • Results in t CO₂ eq per year, consistent with the assessed FREL/FRL. • A demonstration that the methodologies used to produce the results are consistent with those used to establish the assessed FREL/FRL. • A description of national forest monitoring systems and the institutional roles and responsibilities for MRV of the results. • The necessary information that allows for the reconstruction of the results. • A description of how the elements contained in decision 4/CP.15, paragraph 1(c–d), have been considered.
Optional: Additional chapters for Parties that elect to submit the BTR and national communication together in a single document in a year that both are due	Decision 1/CP.24, para. 43	Parties that choose to submit their national communication and biennial report as a single report shall provide these chapters	<ul style="list-style-type: none"> • Parties may choose to submit their national communication and BTR as a single report in the years in which both reports are due. • Parties that choose to submit a single report shall also include in the BTR supplemental chapters on: <ul style="list-style-type: none"> • Research and systematic observation • Education, training and public awareness • Adaptation, but only for those Parties that did not report under chapter IV of the BTR guidelines on information related to climate change impacts and adaptation under Article 7 of the Paris Agreement

▶ [Article 13.2](#)

▶ [Decision 18/CMA.1,
annex, para. 3](#)

3.2.2 Biennial transparency report and flexibility in reporting

Flexibility in the reporting, review and FMCP processes under the Paris Agreement for those developing country Parties that need it in the light of their capacities is one of the guiding principles of the MPGs. The specific flexibility provisions support the implementation of the other guiding principles of the MPGs, including facilitating improved reporting and transparency over time, promoting transparency, accuracy, consistency, completeness and comparability, and avoiding undue burden on Parties.⁵

In addition, the reporting, review and FMCP processes outlined in the MPGs provide specific opportunities for Parties to apply flexibility (see also section 3.3). Specific flexibilities are offered in the MPGs for individual provisions, with the exact nature and extent of the flexibility elaborated (see Table 3).

When applying a specific flexibility provision, in a self-determined manner, a developing country must clearly indicate the following in the BTR (or in a separate notification to the secretariat when flexibility is applied during the review or FMCP processes):

▶ [Decision 18/CMA.1,
annex, paras. 6 and 7\(c\)](#)

▶ [FCCC/SBSTA/2019/2,
paras. 122–123](#)

- The provision to which flexibility has been applied, which could be highlighted in the BTR in a general manner and/or noted in the subsection of the BTR wherein the reporting provision is discussed. Further guidance on this issue may become available upon the conclusion of the negotiations on the BTR outline at CMA 3;
- The Party's capacity constraints;
- The Party's estimated time frame for implementing improvements related to the constraints.

▶ [Decision 18/CMA.1,
annex, paras. 6 and 149\(e\)](#)

A Party's decision to invoke the flexibility provision will not be assessed during the review process. Specifically, the expert team will not assess the Party's decision to apply the flexibility provision, whether that Party has the capacity to implement that provision without flexibility, or the Party's self-determined time frame for addressing the capacity constraints.

Table 3 describes the ways in which the flexibility provisions may be applied under the ETF.

⁵ It should be noted that during informal discussions among technical experts, both reporters and reviewers may use the word 'flexibility' when referring to national actions to implement the Paris Agreement. However, this is a more generic use of 'flexibility' and is not specific to the ETF. For example, throughout the Paris Agreement there are requirements that Parties "shall" follow, and others that they "should" or "may" implement. Parties have some discretion in implementing provisions phrased with "should" and "may"; they are not required to implement them. Similarly, Parties have a number of options when estimating and reporting their national GHG inventories. For instance, they may select one of three emission calculation methods from the 2006 IPCC Guidelines, and notation keys offer several options for reporting (e.g. "NA" (not applicable), "NE" (not estimated), "NO" (not occurring), "IE" (included elsewhere) or "C" (confidential)). Further, Parties have options regarding how they will report adaptation communications. While all of these options provide 'flexibility', they are broadly available to Parties and are different from the specific flexibility provisions for those developing country Parties that need flexibility in the light of their capacities. This Manual therefore only uses the term 'flexibility' as it is defined in the MPGs.

Table 3

Summary of flexibility provisions for developing country Parties that need flexibility in the light of their capacities

Area of flexibility	Paragraph reference in decision 18/CMA.1, annex	Description of the flexibility provision
GHG inventory		
Key category analysis Option to identify fewer key categories; less complex methodologies can be used to estimate GHG emissions and removals for categories that are not key	25	Flexibility to identify key categories using a threshold no lower than 85 per cent in place of the 95 per cent threshold defined in the 2006 IPCC Guidelines. Key categories are those that, when summed together in descending order of magnitude, add up to 95 per cent of the national sum of the absolute values of emissions and removals, including and excluding LULUCF.
Uncertainty assessment Option to report only qualitative uncertainty information if quantitative input data are not available	29	Flexibility to provide, at a minimum, a qualitative discussion of uncertainty for key categories , using the 2006 IPCC Guidelines, for both the latest inventory year and the trend, instead of quantitatively estimating and qualitatively discussing the uncertainty of the emissions and removal estimates for all categories , including inventory totals, for at least the starting year and the latest reporting year of the inventory time series and also estimating the trend uncertainty for these same categories and inventory totals for the entire time series.
Completeness Option to use a higher threshold for insignificant categories	32	Flexibility to consider emissions insignificant if the likely level of emissions is below 0.1 per cent of the national total GHG emissions , excluding LULUCF, or 1,000 kt CO₂ eq , whichever is lower. For the Parties that do not use this flexibility provision, a category can be considered insignificant only if the likely level of emissions is below 0.05 per cent of the national total GHG emissions, excluding LULUCF, or 500 kt CO₂ eq , whichever is lower. If flexibility is chosen, the total national aggregate of estimated emissions for all gases from categories considered insignificant shall remain below 0.2 per cent of the national total GHG emissions, excluding LULUCF, as opposed to 0.1 per cent.
QA/QC Encouragement to develop a QA/QC plan and provide information on general QC procedures implemented	34	In place of the mandatory requirement to elaborate a QA/QC plan , developing country Parties that need flexibility in the light of their capacities are encouraged to elaborate an inventory QA/QC plan in accordance with the 2006 IPCC Guidelines, including information on the inventory agency responsible for implementing QA/QC.
	35	In place of the mandatory requirement to implement and provide information on general QC procedures , developing country Parties that need flexibility in the light of their capacities are encouraged to implement and provide information on general inventory QC procedures in accordance with their QA/QC plan and the 2006 IPCC Guidelines.

Table 3 (continued)

Summary of flexibility provisions for developing country Parties that need flexibility in the light of their capacities

Area of flexibility	Paragraph reference in decision 18/CMA.1, annex	Description of the flexibility provision
Gases Option to report fewer GHGs	48	In place of the mandatory requirement to report on seven gases, flexibility to report at least three gases (CO₂, CH₄ and N₂O) as well as on any of the additional four gases (hydrofluorocarbons, perfluorocarbons, SF ₆ and NF ₃) that are included in the Party's NDC under Article 4 of the Paris Agreement, are covered by an activity under Article 6, or have been previously reported.
Time series Option to report a shorter time series and an earlier "latest reporting year"	57	In place of the mandatory requirement to report a consistent annual time series starting in 1990 , flexibility to report data covering, at a minimum, the reference year or period for a Party's NDC and, in addition, a consistent annual time series from at least 2020 onward .
	58	The latest reporting year for those Parties that choose to apply this flexibility shall be no more than three years prior to the submission of the national inventory report, compared with no more than two years for all other Parties.
Mitigation policies and measures, actions and plans		
Estimates of expected and achieved GHG emission reductions Encouragement to report expected and achieved GHG emission reductions	85	In place of the mandatory requirement to report estimates of expected and achieved GHG emission reductions for their actions, policies and measures in tabular format, developing country Parties that need flexibility in the light of their capacities are encouraged to report this information.
Projections		
Projections of GHG emissions and removals Encouragement to report projections, and option to report less detailed information	92	In place of the mandatory requirement to report projections pursuant to paragraphs 93–101 of the MPGs, developing country Parties that need flexibility in the light of their capacities are encouraged to report this information.
	95	Flexibility to extend projections at least to the end point of their NDCs instead of extending for at least 15 years beyond the next year ending in 0 or 5, which is applicable to other Parties.
	102	Flexibility to report less detailed information (methodology and coverage).

Table 3 (continued)

Summary of flexibility provisions for developing country Parties that need flexibility in the light of their capacities

Area of flexibility	Paragraph reference in decision 18/CMA.1, annex	Description of the flexibility provision
Technical expert review		
<p>Format of review</p> <p>Option to undergo a centralized review in lieu of an in-country review</p>	159	<p>Flexibility to undergo a centralized review instead of an in-country review, with an encouragement to undergo an in-country review.</p> <p>All Parties that do not apply this flexibility shall undergo an in-country review (1) for the first BTR, (2) for at least two BTRs in a 10-year period, of which one is the BTR that contains information on the Party's achievement of the NDC, (3) if there was a recommendation to have an in-country review in the previous BTR review report and (4) if the Party requests it.</p>
<p>Responding to the technical expert review team questions</p> <p>Option to receive more time to respond to the technical expert review team questions</p>	162(c)	<p>Flexibility to provide information within three weeks of the date the questions were received, compared with the two weeks applicable to other Parties.</p>
<p>Responding to the technical expert review team review report</p> <p>Option to receive more time to provide comments to the draft report</p>	162(f)	<p>Flexibility to take three months to provide comments to the draft report, compared with the one month applicable to other Parties.</p>
Facilitative multilateral consideration of progress		
<p>Responding to written questions</p> <p>Option to receive more time to respond to written questions</p>	193(c)	<p>Flexibility to respond in writing to the Parties' questions no later than two weeks prior to the working group session through an online platform, compared with the requirement of no later than one month applicable to other Parties.</p>

See Box 4 for some tips for Parties to consider when providing information in the BTR.

Box 4

Tips for Parties for providing information in the biennial transparency report to facilitate transparency

- Carefully review decision 18/CMA.1, in particular references to the items that “shall” be reported (i.e. are mandatory) versus those that “should be”, are “encouraged” to be, “can be” or “may be” reported (see Table 2).
- Provide all information required by the provisions in decision 18/CMA.1, to the extent applicable, which will enhance the transparency of the BTR.
- Given the BTR is about transparency, describe what has been done, and importantly, where feasible, any reporting requirements that have not been met and the reasons for that.
- In the case of developing country Parties that need flexibility in the light of their capacities, identify the capacity-building constraints preventing implementation of a specific provision and the anticipated timeline for addressing those constraints. These countries are also encouraged to highlight in the BTR the areas of improvement related to the flexibility provisions applied.
- Remember that implementing the Paris Agreement and regularly submitting BTRs is a cycle of continuous improvement. It is expected that the information available to Parties and the reporting capacities of Parties are at different stages of development but will improve over time. The technical expert review team can assist Parties in identifying areas for improvement, so engagement with the team may be beneficial.
- To minimize the reporting burden and contribute to the coherence of adaptation efforts, when deciding whether and how to include adaptation information in the BTR, Parties may consider:
 - (1) How the reporting can assist with national and international information needs;
 - (2) The other communication and reporting arrangements for adaptation under the Convention and the Paris Agreement (in particular the adaptation communications) (see UNFCCC Adaptation Committee 2019 (a));
 - (3) Adaptation planning instruments (national adaptation plans) and their respective purposes and linkages.

3.2.3 Biennial transparency report and tracking progress in implementing and achieving the nationally determined contribution

Section 2.1 provides an overview of the information to be reported in the BTR. This section focuses on the information reported primarily in accordance with section III of the MPGs (the information necessary to track progress in implementing and achieving NDCs). For most countries, particularly those with an NDC containing a GHG emission reduction or limitation target, section II of the MPGs on the national inventory report will also be highly relevant as that information will reflect the country’s estimated national, sectoral and category-level GHG emissions.

In the information communicated in the NDC under step 1 (see section 3.1), a Party will have already defined its goal(s) (e.g. the nature of the goal(s), data sources, assumptions, reference data and time frame for implementation). The Party must

► *Decision 4/CMA.1, para. 17, and decision 18/CMA.1, annex, sections II–III*

► *Decision 18/CMA.1, annex, paras. 70 and 77*

then report on its progress in implementing the goal(s) in its BTR, including through the structured summary therein. In the BTR containing data for the final year of the implementation period, progress in achieving the goal(s) of the NDC must be reported.

► *Decision 18/CMA.1,
annex, paras. 65–79*

Parties report various types of information to track progress towards their NDC, including:

- Information needed to understand the NDC (including definitions);
- Information on indicators;
- A description of each methodology and/or accounting approach;
- For NDCs that consist of adaptation actions and/or economic diversification plans with mitigation co-benefits, information on the implementation and achievement of the domestic policies and measures implemented to address the social and economic consequences of response measures.

► *Decision 18/CMA.1,
annex, paras. 65, 69 and 77*

Parties are required to select relevant indicators for tracking progress, but the actual indicators selected and reported in the BTR are at the discretion of the Party. Any approach the Party uses to compare the indicator in the base year or reference year with the indicator in the current year will be informed by the accounting approach selected by the Party, and the results of this comparison are to be reported in the BTR in order to track progress in implementing the NDC. The BTR will also report the Party's assessment of whether it has achieved the goal(s) of its NDC, considering not only the indicators selected, but also, where applicable, information on GHG emissions and removals consistent with the scope of coverage of the NDC, the contribution from the LULUCF sector and outcomes from the use of cooperative approaches under Article 6. This information will be included in the structured summary. Again, how these factors are considered, and how they factor into the Party's final assessment of whether it has achieved its NDC, will depend on the accounting approach used by the Party, as well as the final decisions under Article 6. The format of the structured summary remains subject to negotiation and is expected to be finalized at CMA 3.



► *Decision 18/CMA.1, annex, paras. 65–68 and 149*

3.2.3.1 Use of indicators

Indicators may be qualitative or quantitative and ideally should have already been considered during the process of developing the NDC (see Table 1). These indicators must be relevant to the Party’s NDC and meaningful for tracking progress. Under the review process (see section 3.3), reviewers will assess whether indicators have been provided and how they relate to the NDC. However, they will not review the adequacy or appropriateness of the indicators identified. Drawing on information communicated in existing NDCs and discussions in the lead-up to COP 24, some possible indicators that Parties may consider have been collated and are listed in Table 4. It should be highlighted that these are just examples, and this list is not exhaustive.

3.2.3.2 Consistency of information between the nationally determined contribution and the biennial transparency report

► *Article 4.13, decision 4/CMA.1, para. 11, and decision 18/CMA.1, annex, para. 3(d)*

As illustrated in Figure 5, the integrity of the NDC accounting framework relies on consistency between the information (i.e. data sources, coverage, methodologies, assumptions, etc.) a Party presents as its goal(s) in its NDC (see Table 1) and the information reported in its BTR, in particular information related to the GHG inventory and indicators for tracking progress towards achieving its target (see Table 2).

All of this information should be developed while considering the fundamental principles of reporting established by the IPCC and adopted by the UNFCCC, namely

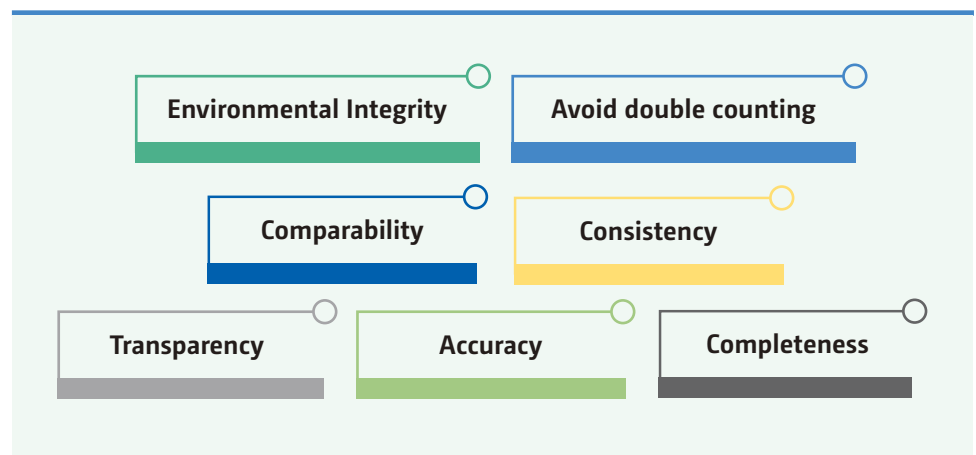
Table 4

Examples of indicators for various types of goals in nationally determined contributions

Type of NDC goal	Possible indicators (non-exhaustive)
Absolute emission reduction or limitation target relative to a base year	GHG emissions (t CO ₂ eq) with or without LULUCF, as appropriate, in base year/period, current year and target year/period; emission reductions (t CO ₂ eq)
Emission reduction target below a ‘business as usual’ level	GHG emissions (t CO ₂ eq) for ‘business as usual’ scenario (if different from the reference level) with or without LULUCF, as appropriate; values for drivers of ‘business as usual’ scenario (e.g. GDP, population, fuel demand); current emissions below ‘business as usual’ level
Intensity target	Base, current or target year/period GHG emissions; base, current or target year/period drivers (e.g. GDP, population, energy consumption)
Peaking target	GHG emissions (t CO ₂ eq) in all years leading to the current year, with or without LULUCF
Policies and actions	Status of implementation of policies and measures (e.g. planned, adopted, implementing); description of what would have happened in the country without the policy; emission quantification of the policy impacts; number of policies and measures implemented; financial, technological and/or capacity-building support received for implementing policies and measures
Other (e.g. mitigation co-benefits of adaptation actions, non-GHG targets)	Description of current adaptation actions with mitigation co-benefits; quantification of mitigation co-benefits. See also indicators under policies and actions above

transparency, accuracy, consistency, completeness and comparability. These principles, along with the avoidance of double counting and the promotion of environmental integrity, are embedded in the Paris Agreement as well as the implementing decision on NDCs and reporting of BTRs (see Figure 10).

Figure 10
Principles for nationally determined contributions accounting and BTRs



► [Decision 4/CMA.1, para. 14, and annex II](#)

Parties *must* follow annex II to decision 4/CMA.1 when accounting for their NDC, at the latest when communicating their second NDC. Annex II includes four broad categories of guidance when accounting for the NDC:

- Accounting for anthropogenic emissions and removals in accordance with methodologies and common metrics assessed by the IPCC and adopted by the CMA;
- Ensuring methodological consistency, including on baselines, between the communication and implementation of the NDC;
- Striving to include all categories of anthropogenic emissions or removals in the NDC, and once a source, sink or activity is included, continuing to include it;
- Providing an explanation of why any category of anthropogenic emissions or removals is excluded.

► [Decision 4/CMA.1, annex I, paras. 1 and 5, and decision 18/CMA.1, annex, paras. 65–79](#)

Annex II does not provide specific reporting requirements for the BTR, but rather guides Parties on how to account for their NDC. The accounting approaches can inform Parties in selecting indicators, which they may communicate as part of the information necessary to facilitate clarity, transparency and understanding in their NDC and can use to track progress in implementing the NDC. The accounting approaches will also inform Parties in undertaking the final calculations to assess whether they have achieved their NDC. Information on indicators and the assessment is reported in the BTR.

► [Decision 4/CMA.1, annex II](#)

► [Article 4.13](#)

Table 5 provides a non-exhaustive checklist Parties may use when accounting for their NDC to help them determine whether they have completed this task in accordance with the relevant decisions and in a manner that is mindful of the underlying principles set out in Figure 10. Each provision of the accounting guidance corresponds with at least one of these principles. Table 5 does not specifically include the principles of promotion of environmental integrity and avoidance of double counting. However, applying the principles of transparency, accuracy, consistency, completeness and comparability reinforces overall efforts to promote the environmental integrity of the accounting framework and avoid double counting.

Providing information in the BTR on how a Party has implemented the accounting guidance and how the Party strives to maintain consistency between the NDC and the BTR will enhance the transparency of reporting in the BTR.

Table 5

Checklist for applying the accounting guidance and ensuring consistency between the nationally determined contribution and the biennial transparency report

Reference in decision 4/CMA.1, annex II	Checklist for implementing the accounting guidance	Principle
<p>Paragraph 1</p>	<p><i>Has the Party:</i></p> <ul style="list-style-type: none"> • Applied common methods from the 2006 IPCC Guidelines and common metrics when communicating its NDC? If these are not applicable, has the Party described the country-specific method applied, including the method for tracking progress arising from implementing policies and measures? • If relevant to the NDC, applied either IPCC approaches when considering natural disturbances and the age–class structure in forests, or an approach that is consistent with the IPCC guidelines • If relevant to the NDC, applied an IPCC approach for harvested wood products? • Applied the same methods and metrics for accounting in communicating the NDC, reporting the GHG inventory, and tracking progress in implementing and achieving the NDC? 	<p>Comparability</p>
<p>Paragraph 2(a–b)</p>	<p><i>Has the Party:</i></p> <ul style="list-style-type: none"> • Applied the same scope and coverage, definitions, data sources, metrics, assumptions and methodological approaches in both the NDC and the BTR, specifically when tracking progress in implementing and achieving the NDC? • Applied the same data and methods for GHG data for accounting as those used in the GHG inventory, if applicable? 	<p>Consistency</p>

Table 5 (continued)

Checklist for applying the accounting guidance and ensuring consistency between the nationally determined contribution and the biennial transparency report

Reference in decision 4/CMA.1, annex II	Checklist for implementing the accounting guidance	Principle
Paragraph 2(c–d)	<p><i>Has the Party:</i></p> <ul style="list-style-type: none"> • Striven to avoid overestimating or underestimating the reported, projected and accounted emissions and removals used for accounting? • Ensured that any changes to previously reported information regarding reference levels and/or projections have been made only to reflect changes in the underlying GHG inventory that were designed to improve accuracy? 	Accuracy
Paragraph 3	<p><i>Has the Party:</i></p> <ul style="list-style-type: none"> • Striven to include all anthropogenic sources, sinks and activities in the NDC? • Included all sources, sinks and activities in the NDC that were included in previous submissions of the NDC? 	Completeness
Paragraphs 1, 2(e) and 4	<p><i>Has the Party:</i></p> <ul style="list-style-type: none"> • Described the methods applied, and, if applicable, how they are consistent with the IPCC Guidelines? • Reported on any methodological changes and technical updates made during implementation of the NDC (e.g. to data sources, methods, reference points)? <p><i>In cases where the Party was unable to follow the requirements in decision 4/CMA.1, annex II, has it:</i></p> <ul style="list-style-type: none"> • Provided transparent documentation in the BTR to explain the national circumstances, including regarding: <ul style="list-style-type: none"> • Any methodological changes or technical updates made during implementation of the NDC? • Any anthropogenic sources and sinks excluded? 	Transparency

► *Decision 4/CMA.1, para. 17, and decision 18/CMA.1, annex, paras. 65–77*

3.2.3.3 Structured summary

The information necessary for accounting is reported in the BTR, including in the structured summary described in paragraph 77 of the annex to decision 18/CMA.1. The structured summary synthesizes the Party’s reported information in a uniform and consistent manner, which assists external stakeholders, including other Parties and the international community, in viewing each Party’s progress towards meeting its goal(s). The structured summary is a key, but not the sole, means to communicate the Party’s NDC accounting and its progress towards achieving its NDC. The Party’s approach to accounting must be clearly described in its BTR.

The key components of the structured summary, are, as applicable to each NDC:

1. **Information on each indicator used to track progress**, including reference information, any updated data from previous years and the latest available value for the indicators. Relevant information should be provided for each indicator, and the importance of consistency between the data sources and assumptions used in the NDC and the information presented in the BTR should be considered.
2. **Information on GHG emissions and removals for those categories covered by the NDC**. For the vast majority of NDCs, the goal(s) are likely to be related to one or more sectors of the GHG inventory and this provision will therefore be applicable. Where the goal is an absolute economy-wide emission reduction target, data from



the national GHG inventory may be used directly to assess progress. Where the goal covers a subset of the economy, GHG information reported here will be a subset of the national GHG inventory.

3. **If applicable, contribution from LULUCF.** The structured summary includes information on the GHG emissions and removals in each year of the target year/period if not included in the inventory time series of total net GHG emissions and removals. Depending on the accounting approach selected by the Party, these data may be taken directly from the GHG inventory or additional accounting may be needed to obtain them. As with reporting of information on GHG emissions and removals, this provision may not be applicable to all NDC goal types if the NDC does not cover the LULUCF sector.

Parties are continuing to discuss issues related to the reporting of information in the structured summary of the BTR, including the reporting of information related to the contribution from voluntary cooperation under Article 6. This manual will be updated to reflect the outcomes of those discussions in the relevant decisions, once available.

See Box 5 for some tips for Parties to consider when providing information in the BTR on tracking progress towards implementing and achieving the NDC.

Box 5

Tips for Parties for providing information in the biennial transparency report to track progress towards implementing and achieving the nationally determined contribution

- It is important to ensure that information is consistent across:
 - (1) Information necessary to facilitate clarity, transparency and understanding communicated in the NDC;
 - (2) The GHG inventory (contained either in a separate document or in the BTR) for those categories covered in the NDC;
 - (3) The tracking of progress in implementing and achieving the NDC as contained in the BTR, including the structured summary.
- Each Party, when developing its NDC, could consider for each goal which relevant indicators it will use to track progress, how it will obtain the necessary data to track progress over the entire implementation period and how it will undertake the final accounting to assess whether the goal has been achieved. This planning will help ensure that the necessary data are available for inclusion in subsequent BTRs.
- Parties should include information for all goals in the NDC.
- When developing the BTR, particularly the BTR that contains data for the end of the year or period of the NDC, annex II to decision 4/CMA.1 could be used as a checklist to ensure that all applicable activities have been carried out by the Party when accounting for its assessment of whether it has achieved its NDC goal(s). Where information in annex II is not applicable owing to the type of NDC goal, this accounting could be described in the BTR (e.g. in the context of paragraphs 71, 72 or 74 of the annex to decision 18/CMA.1).

3.3 Technical expert review and facilitative, multilateral consideration of progress

The consideration of a Party's BTR submission is undertaken in two stages:

- The review of the information reported by the Party in the BTR (and in the national inventory report and CRTs in the years when the BTR is not due) through a technical expert review;
- The subsequent FMCP of the Party's submission.

The technical expert review and FMCP are equally essential components of promoting transparency under the Paris Agreement. Through reporting, review and FMCP of the BTR, the ETF tracks the progress made by Parties in achieving their goals. Both the review and FMCP processes allow for an independent assessment of the progress a Party is making to implement its NDC and, importantly, to improve reporting over time under the Paris Agreement. Specifically, the technical expert review and the FMCP processes provide:

- A snapshot in time that may alert a Party to the need to make a 'course correction' not only to achieve its own NDC, but also to meet other obligations under the Paris Agreement, for example those related to finance, technology development and transfer and capacity-building;
- An opportunity for developing country Parties to articulate their key capacity-building needs and constraints;
- An opportunity for Parties to learn from the approaches, successes and failures of other Parties;
- A demonstration of the improvements realized in national data collection and reporting capacity over time, providing the enabling framework for Parties to increase ambition in their successive NDCs;
- Essential input to the global stocktake to assess collective overall progress in strengthening the global response to climate change as articulated in Article 2 of the Paris Agreement.

► *Decision 18/CMA.1, annex, paras. 146, 150 and 175–178*

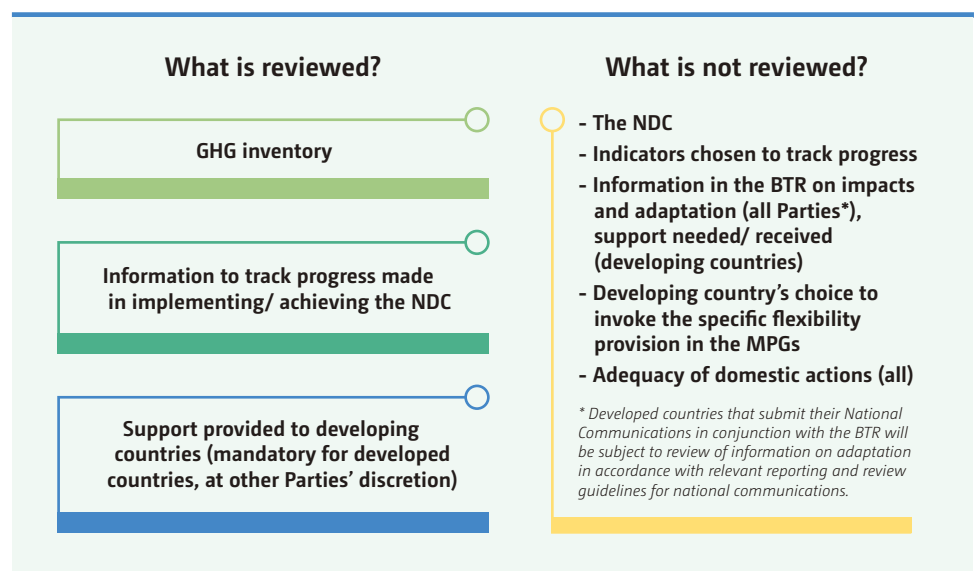
3.3.1 Technical expert review

During this stage, the technical expert review team reviews specific elements of a Party's BTR, namely the national GHG inventory, information necessary to track progress in implementing and achieving the NDC and information on financial, technology development and transfer, and capacity-building support provided to developing country Parties. The technical expert review team's primary objectives are to assess whether the Party's reporting is consistent with the MPGs; consider the Party's implementation and achievement of its NDC; identify areas for improvement related to the Party's implementation of Article 13; and, for those developing country Parties that need capacity-building, identify capacity-building needs.



Figure 11 highlights what information is and is not subject to the technical expert review during this stage; specific elements in the BTR (and the national GHG inventory, if submitted separately) are subject to review, while the NDC itself is not. However, some elements related to the NDC contained in the BTR are subject to review to assess their consistency with the MPGs. These elements include the provision of indicators for tracking progress in implementing and achieving the NDC, and descriptions of the assumptions, methods and data used for estimating emissions and removals and for accounting.

Figure 11
Elements reviewed during the technical expert review of the biennial transparency report





The technical expert review team must include individuals with the necessary expertise to review the information submitted in the BTR on the GHG inventory, on tracking progress in implementing and achieving the NDC, and on support provided and mobilized (see Box 6).

Box 6

Composition of technical expert review teams

In accordance with decision 18/CMA.1, annex, paragraphs 175–182, the members of the technical expert review team must collectively possess the relevant competencies to cover all areas of the review. Specifically, these competency areas are:

- Each significant GHG inventory sector
- Mitigation
- Support
- Cooperative approaches and internationally transferred mitigation outcomes, when applicable
- LULUCF

When assembling teams, criteria such as language ability of individuals and geographical and gender balance in the team are considered.

The size of the team will depend on several factors, including the Party being reviewed (its size and the complexity of its economy), the nature of the review (whether an in-country, desk or centralized review) and accounting considerations (e.g. whether cooperative approaches have been used). It is possible for one expert to offer expertise on more than one topic in the list above.

Reviews can take place in one of four formats; (see Table 6). The technical expert review of information submitted in the BTR should take place over the course of no more than a year, and within the two-year period between BTR submissions.

► *Decision 24/CP.19 and decision 1/CP.24 para. 42*

Developed country Parties are required to submit an annual GHG inventory under the Convention. For developed country Parties to the Paris Agreement, the GHG inventory submitted as part of the BTR will fulfil this reporting obligation every second year. In the year in which a BTR is not submitted, these Parties must still submit a GHG inventory (with the same scope as the inventory included in the BTR), but the report will be reviewed through the simplified review procedure described in table 6.

► *Decision 18/CMA.1, annex, section VII.C–D*

► *Decision 18/CMA.1, annex, paras. 158–161*

Table 6
Description and frequency of biennial transparency report review formats

Type of review	Description	Frequency*
In-country review	The technical expert review team visits a host country to conduct a review of the Party's submission and observe institutional arrangements first-hand	Required for all Parties twice in a 10-year period, including for the review of the first BTR (except for developing country Parties that decide to invoke flexibility in the light of their capacities and choose to undergo a centralized review), the review of any BTR where a Party provides information on achievement of its NDC, and when the previous technical expert review team or the Party requests such a review to take place in an interim year
Centralized review	The technical expert review team convenes in one place and reviews the BTRs of several Parties for consistency with the MPGs	All reviews that do not meet the requirements for an in-country review or for which a desk review is not undertaken are subject to a centralized review
Desk review	Technical expert review team members review one or more BTRs from their respective locations	No more than once every five years
Simplified review	The secretariat (not a technical expert review team) reviews the GHG inventory in a simplified manner through a series of checks developed in cooperation with the lead reviewers under the Paris Agreement	The simplified review applies only to the review of GHG inventories submitted by developed country Parties in years in which a BTR is not due

* Additional flexibilities are available to developing country Parties (see Box 7).

Figure 12 shows the timeline for the technical expert review while Table 7 outlines the responsibilities of Parties subject to a technical expert review.

As can be seen in Table 7, flexibilities are granted to developing countries during the review process, if needed (see also Box 7).

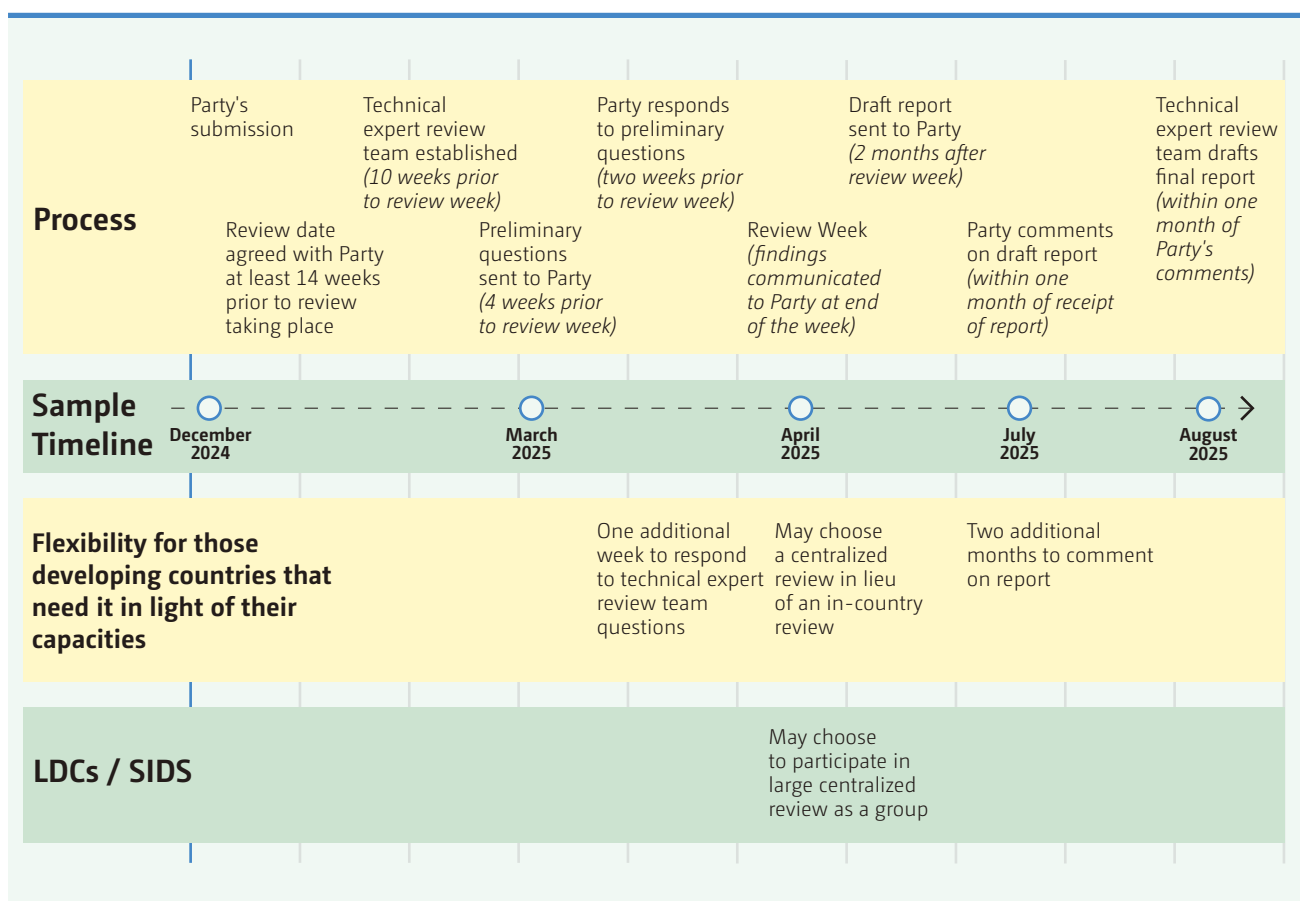
The technical expert review team’s report on its findings of the review is an important vehicle for communicating information to the Party under review, the CMA and interested stakeholders. The report will:

► *Decision 18/CMA.1, annex, paras. 7 and 190*

- Serve as a tool for the Party under review to improve its reporting and transparency over time, and for developing country Parties, it will highlight needs related to finance, technology transfer and capacity-building;
- Serve as an input to the FMCP and, ultimately, the global stocktake (see chap. 4);
- Be made publicly available, along with the Party’s BTR, for consideration by other Parties and the global community.

Decision 18/CMA.1, annex, para. 162

Figure 12
Timeline of the technical expert review



► *Decision 18/CMA.1,
section VII.D*

Table 7

Responsibilities of Parties during the technical expert review of their biennial transparency reports

	In-country review	Centralized review	Desk review
Before the review week	Agree with the secretariat on the date of the review at least 14 weeks prior to that date.		
	Coordinate with the secretariat to identify a venue for the review, and on the review logistics and agenda. Prepare, to the extent possible, for any language issues (if not all technical expert review team members understand the language used in the BTR).		
	Coordinate internally to respond to any questions from the technical expert review team, beginning four weeks prior to the review week, with the aim of answering all questions within two weeks (or three weeks for developing countries that need flexibility in the light of their capacities).		
During the review week	Participate in in-person meetings with the technical expert review team.		
	Continue to respond to questions from the technical expert review team.		
	Consider the recommendations or encouragements received. (Recommendations are phrased using “shall” language and encouragements are framed using “should” language.) In addition, developing countries that need flexibility in the light of their capacities will work with the technical expert review team to identify and list their capacity-building needs.		
After the review week	Answer any remaining questions from the review week within two weeks of receipt (three weeks for developing countries applying flexibility in the light of their capacities).		
	Provide comments within one month from the receipt of the draft report. Developing countries applying flexibility in the light of their capacities have three months.		
	Coordinate with the technical expert review team and/or the secretariat to finalize the report, as needed.		
	Incorporate the findings from the technical expert review team report into a plan to be addressed in a future BTR.		

► *Decision 20/CMA.1,
annex, para. 22(b)*

The technical expert review team’s report may be considered by the committee to facilitate implementation and promote compliance in cases of significant and persistent inconsistencies with the MPGs in the information submitted by a Party pursuant to Article 13, paragraphs 7 and 9, of the Paris Agreement.

Effective implementation of the ETF requires a sufficient number of qualified reviewers. The training programme for technical expert reviewers of BTRs under the Paris Agreement is still under discussion, with a decision expected by CMA 3. Training courses will be developed in 2020–2021 with the hope that experts can enrol in these courses and become qualified and ready to review the first BTRs submitted (see Box 7).

Box 7

Technical expert reviewers: facts and figures

How many technical expert reviewers will be needed to support implementation of the Paris Agreement?

The demand for qualified and available reviewers under the Paris Agreement is significant. Although the exact number of reviewers needed will vary year by year depending on the format of reviews and the number of BTR submissions received, estimates are that over a two-year cycle, between 1,000 and 1,500 reviewers will be needed, which is far more than the number supporting similar processes under the Convention and its Kyoto Protocol.

Demand for technical expert reviewers for the ETF

Possible scenarios for submissions of BTRs	No. of Parties	No. of experts
All Parties	188	1,472
All Parties except the LDCs and SIDS	136	1,088

► *Decision 18/CMA.1, paras. 5 and 12*

How do I become an expert reviewer of BTRs under the Paris Agreement?

The Paris Agreement training programme is under development. The secretariat aims to make the course materials available as early as possible to enable sufficient time for potential reviewers to take the courses and be available to support the review process beginning as early as 2023.

To take the courses, an expert must first be on the UNFCCC roster of experts. Experts must be nominated to the roster by a Party or an intergovernmental organization. Technical experts are encouraged to investigate their routes for nomination and, once on the roster, enroll in the training courses currently available for reviews of annual GHG inventories, national communications, biennial reports and biennial update reports under the Convention and its Kyoto Protocol.

By becoming active now, experts can support the current MRV system and be well placed to build on their knowledge and experience once the full training programme under the Paris Agreement becomes operational.

Learn more about how to become a reviewer under the current MRV system here: <https://unfccc.int/sites/default/files/resource/How%20to%20become%20a%20technical%20expert-%20web.pdf>.

► *Article 13.11 and
decision 18/CMA.1,
annex, para. 190*

► *Decision 18/CMA.1,
annex, para. 192*

3.3.2 Facilitative, multilateral consideration of progress

In the second stage of the consideration of a Party's BTR, the Party participates in the FMCP to highlight its efforts under Article 9 of the Paris Agreement and its implementation and achievement of its NDC.

Built on the multilateral assessment for developed countries and the facilitative sharing of views for developing countries under the Convention, the FMCP provides a public opportunity to showcase a Party's activities related to climate change mitigation and adaptation as well as its support provided, needed and received (as applicable) related to financial, technology transfer and capacity-building. Although the exact format and style of the FMCP will be discussed and shaped over the coming years in the lead-up to the first FMCP, a consideration of the current processes for multilateral assessment and facilitative sharing of views can shed some light on what countries may expect (see box 8).

Box 8

Multilateral assessment and facilitative sharing of views: webcasts at SBI 50

For a glimpse of the role of Parties and the types of information presented in the current multilateral assessment and facilitative sharing of views processes, see the webcasts from SBI 50:

- Multilateral assessment: https://unfccc.int/MA/at_SBI_50
- Facilitative sharing of views: <https://unfccc.int/ICA-cycle1>

The overall process for the FMCP and the flexibilities offered to developing countries that need them in the light of their capacities, as well as the alternative arrangements offered to SIDS and the LDCs, are shown in Figure 13. The FMCP process will be launched three months prior to a session of the SBI, offering countries an opportunity to pose questions to the Party undergoing FMCP. The material that will be under discussion includes (1) the information in the Party's BTR (specifically, information on the GHG inventory, the tracking of progress in implementing and achieving the NDC, and financial, technology transfer and capacity-building support, as reported in the BTR by developed and developing countries⁶); (2) the technical expert review team's review report of the BTR submission; and (3) any additional information the Party undergoing FMCP wishes to introduce. The Party is asked to respond to any questions from other Parties one month prior to the SBI session (two weeks prior to the session for those developing countries that need flexibility in the light of their capacities).

⁶ Countries other than developed country Parties that report information on financial, technology transfer and capacity-building support provided to developing country Parties may include this information in the FMCP at their discretion (decision 18/CMA.1, annex, paras. 150(c) and 190(a)).

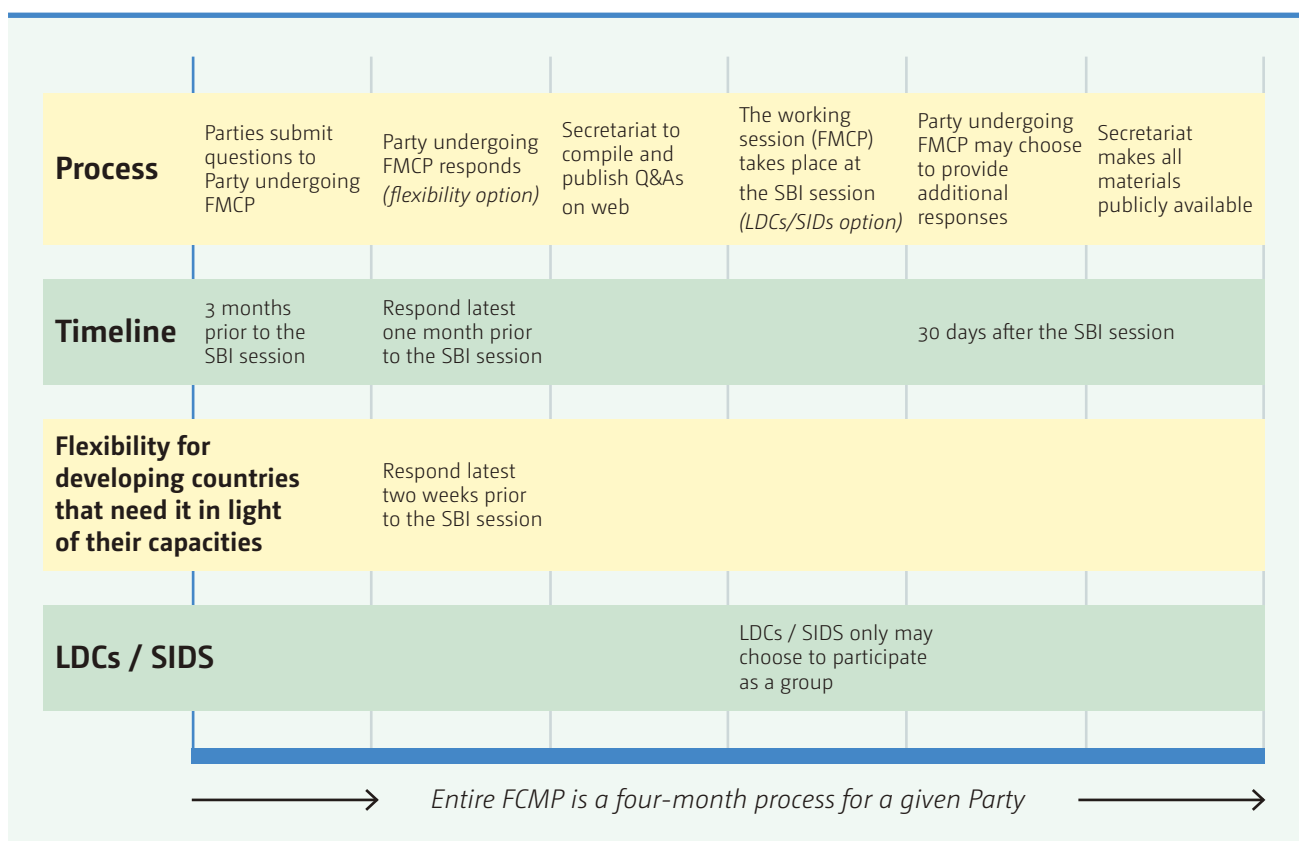
► *Decision 18/CMA.1, annex, paras. 193–194*

At a “working group session”, which will coincide with an SBI session, the Party undergoing FMCP will make a brief presentation to highlight its domestic and international activities related to climate change and will then answer questions from other Parties. There will typically be several Parties successively undergoing FMCP at each session. The LDCs and SIDS may undergo this phase of the FMCP (the working group session) as a group and should notify the secretariat if they wish to make use of this provision.

► *Decision 18/CMA.1, section VIII.C*

The secretariat will make all materials from the FMCP available on the UNFCCC website: the inputs (the Party’s BTR, the technical expert review report and any other information provided by the Party), the outputs from the question-and-answer period, the Party’s presentation at the session, a webcast from the session and a summary report of the proceedings.

Figure 13
Stages of the facilitative, multilateral consideration of progress





Chapter 4

INSTITUTIONAL ARRANGEMENTS FOR THE ENHANCED TRANSPARENCY FRAMEWORK

4. Institutional arrangements for the enhanced transparency framework

The global community is currently busy establishing and enhancing the necessary institutional arrangements to support implementation of the Paris Agreement. It is important to remember that meeting the reporting obligations under the Paris Agreement is a process, and countries are at different starting points. Most developed countries have relatively established institutional arrangements in place as compared with some developing countries. In this regard, there are two points to consider. First, developed countries have been regularly communicating GHG inventories, national communications and biennial reports under the Convention – some for about 25 years – and the systems they have in place now are vastly different from those they had in place in the mid-1990s. Developing countries do not have this history. Under the reporting requirements for national communications adopted in 2002, developing countries “may” report on institutional arrangements, but there is no specific guidance as to what these arrangements entail. More recently, developing countries have been gaining experience by using existing or establishing new domestic MRV systems. Second, not all developed countries (and not all developing countries) are at the same stage, even today. Countries establish their national institutional arrangements at different paces and in different ways that reflect their national circumstances.

► *Decision 17/CP.8, annex, para. 5*

► *Decision 21/CP.19*

All Parties will now need to reconsider the state of their domestic institutional arrangements in the light of the requirements of the Paris Agreement. The secretariat, the constituted bodies under the Convention and other international organizations will need to consider what activities will be necessary to support Parties in the evolving implementation process under the Paris Agreement.

4.1 Development of domestic institutional arrangements

The establishment of well-considered, relevant institutional arrangements is a key enabling factor for the successful implementation of the Paris Agreement. Countries are encouraged to establish institutional arrangements appropriate to supporting the communication of their NDCs and the reporting of their BTRs, and they are required to report on these arrangements in the NDC and BTR, as noted in chapter 3 (see also Table 1–2).

The growing body of experience in both developed and developing countries highlights the importance of Parties establishing the necessary expertise in-country rather than relying on third parties to develop one-off reports for submission to the

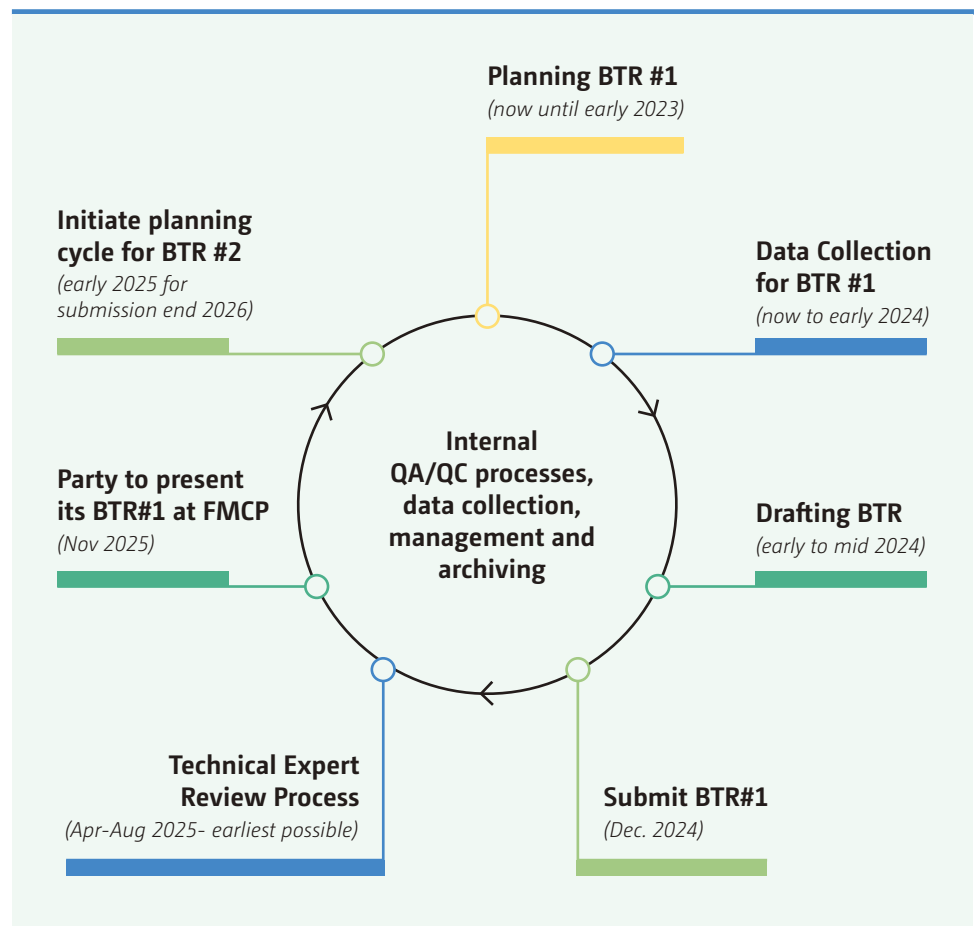
► *Decision 4/CMA.1, annex 1, para. 4, and decision 18/CMA.1, annex, paras. 18–19, 61–63, 106, 119–120 and 130*

secretariat. In fact, the more regular reporting demands associated with the BTRs, including the national GHG inventory, along with the existing requirements to submit national communications, call for more permanent, sustainable and predictably funded institutional arrangements at the national level. As can be seen in Figure 14, the work to produce the second BTR will begin before the cycle of review for the first BTR has ended.

When establishing their institutional arrangements, Parties will need to ask themselves fundamental questions about how they will implement the Paris Agreement, including:

- **Which organizations will be involved in implementation?** Based on current experience under the Convention, in most countries, one single government entity has the overall responsibility to submit reports to the secretariat; however, that entity probably coordinates with multiple other entities at the national and/or subnational level (including government agencies, industry organizations, educational institutions, research organizations and other interested stakeholders).

Figure 14
Submission of successive biennial transparency reports necessitates the establishment of a sustainable system (dates are given as indicative examples)



- **What types of arrangements could be established among these interested stakeholders?** Formal agreements can be helpful to establish a sustainable process, for example for collecting the necessary underlying data (e.g. activity data for the GHG inventory or specific indicators for tracking progress).
- **Is there a need to establish a regulatory framework to support information collection or policy implementation?**
- **What type of information management system can be developed?** BTRs are due every two years and NDCs are to be communicated every five years. A successful domestic framework is one in which each successive submission builds on the work of the previous submission.

4.2 Key bodies and initiatives supporting the transition to the enhanced transparency framework

Key bodies and initiatives that can support Parties in preparing for and implementing the Paris Agreement are discussed below.

4.2.1 Secretariat

The secretariat provides organizational support and technical expertise at negotiations and to institutions and facilitates the flow of authoritative information on the implementation of the Convention, the Kyoto Protocol and the Paris Agreement.



The secretariat is actively engaged in preparatory support for the ETF on many fronts, including by:⁷

- Assisting with the design of effective review and FMCP processes by taking stock of the lessons learned from current processes under the Convention and its Kyoto Protocol for the review of GHG inventories, national communications and biennial reports; the technical analysis of biennial update reports; and multilateral assessment and facilitative sharing of views;
- Working to support Parties in the remaining negotiations on the ETF, namely those related to the reporting of information in tabular formats in the BTRs, the outlines for reports under the Paris Agreement (BTR, national inventory document and technical expert review report) and the development of the training programme for technical expert reviewers;
- Serving as a resource for the constituted bodies and various international organizations as they ramp up their efforts to support countries, particularly developing country Parties, in the transition to the ETF;
- Modifying and, as appropriate, developing new information technology tools and other materials to support the reporting, review and FMCP processes.

4.2.2 Constituted bodies

There are several constituted bodies under the Convention that will serve the Paris Agreement, as well as some bodies established specifically under the Paris Agreement. These bodies, which include the CGE, the committee to facilitate implementation and promote compliance, the Paris Committee on Capacity-building, the Adaptation Committee and the Least Developed Countries Expert Group, support countries, particularly developing countries.

The CGE in particular will continue to be active, including by providing developing countries with technical advice and support for preparing their BTRs and by providing technical advice to the secretariat on implementing the training of technical expert review teams.⁸

The committee to facilitate implementation and promote compliance was established under Article 15, paragraph 2, of the Paris Agreement to support Parties in implementation (see chap. 6). The modalities and procedures for the committee are contained in decision 20/CMA.1. and work on the procedures of the committee commenced in 2020.

The Paris Committee on Capacity-building was established in 2015 to address current and emerging gaps and needs in implementing and enhancing capacity-building

⁷ For more information on the secretariat's work in this regard, see <https://unfccc.int/process-and-meetings#a0659cbd-3b30-4c05-a4f9-268f16e5dd6b>.

⁸ For more information on the role of the CGE, see <https://unfccc.int/CGE>.

in developing countries. The Committee strives to bring together actors at the local, national, regional and global level to foster an environment of learning and information exchange, allowing for the enhancement of current and future efforts.⁹

The Adaptation Committee, as part of its work on promoting the implementation of enhanced action on adaptation in a coherent manner under the Convention, will prepare, with input from IPCC Working Group II, draft supplementary guidance on adaptation communications for voluntary use by Parties for the adaptation communications.

The Least Developed Countries Expert Group, in collaboration with the Adaptation Committee, is working to develop and regularly update an inventory of relevant methodologies for assessing adaptation needs, including needs related to action, finance, capacity building and technological support in the context of national adaptation planning and implementation.^{10,11}

4.2.3 Financial Mechanism

The Financial Mechanism was established under the Convention in recognition of the fact that countries vary in their capacity to prevent and cope with the consequences of climate change. Article 11 of the Convention states that the operation of the Financial Mechanism is entrusted to one or more existing international entities. The entities entrusted with the operation of the Financial Mechanism are the Green Climate Fund¹² and the Global Environment Facility.¹³ The Global Environment Facility provides financial support to the activities and projects of developing country Parties, including developing country reporting of national communications and biennial update reports. The Green Climate Fund was established at COP 16 and is intended to be the main fund for mobilizing USD 100 billion climate finance annually by 2020.

4.2.4 Capacity-building Initiative for Transparency

Decision 1/CP.21 adopting the Paris Agreement established the Capacity-building Initiative for Transparency with three goals in mind: (1) to strengthen national institutions for transparency-related activities in line with national priorities; (2) to provide relevant tools, training and assistance for meeting the provisions of Article 13; and (3) to assist in the improvement of transparency over time. At the end of 2018, the Initiative had 41 active national projects in Africa, Asia, Eastern and Central Europe, and Latin America and the Caribbean.¹⁴

9 For more information on the role of the Paris Committee on Capacity-building, see <https://unfccc.int/pccb>.

10 For more information on the role of the Least Developed Countries Expert Group, see <https://unfccc.int/LEG>

11 For more information on the roles of other constituted bodies, see <https://unfccc.int/process-and-meetings/bodies/the-big-picture/what-are-governing-process-management-subsidiary-constituted-and-concluded-bodies>.

12 <https://www.greenclimate.fund/>.

13 <https://www.thegef.org/>.

14 For more information on the Capacity-building Initiative for Transparency, see <https://www.thegef.org/topics/capacity-building-initiative-transparency-cbit>.



Chapter 5
**GLOBAL
STOCKTAKE**

► *Articles 14.1–14.2
and 13.5–13.6*

5. Global stocktake

The CMA is mandated to periodically (every five years) take stock of the implementation of the Paris Agreement to assess collective progress towards achieving the purpose and long-term goals of the Paris Agreement. The first global stocktake will take place from end of 2021 to 2023 and subsequent global stocktakes will be conducted every five years thereafter. The information reported and reviewed through the ETF will serve as one of several inputs to the global stocktake. The global stocktake will be informed by the best available science (provided by the IPCC and others) and will consider backward and forward-looking information.

► *Articles 14.3 and 4.9, and
decision 19/CMA, para. 1*

The global stocktake can be referred to as a significant milestone process, a keystone (a central component on which associated components depend for support) or a capstone (the high point or crowning achievement)¹⁵ in the ambition cycle (see figure 1). This is because the architecture of the Paris Agreement is a combination of a bottom-up, country-driven process, based on individual NDCs and, top down global stocktake to consider and enhance the collective ambition towards achieving the long-term goals of the Agreement that are collective in nature. The global stocktake is therefore an opportunity to pause and look from the top down, for the world to consider the collective ambition of individual Party contributions of their actions (NDCs, national adaptation plans) and support under the Paris Agreement, including the progress being made in their implementation, as well as other actions

¹⁵ Definitions taken from Merriam-Webster dictionary, available at <https://www.merriam-webster.com/>.



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in the light of the overall purpose and goals of the Paris Agreement. On the basis of that collective technical and political assessment, the international community will be able to identify the opportunities for and challenges to enhancing climate action and support and international cooperation. The goal is for all Parties to be informed by the outcome of the global stocktake to further enhance and update their actions and support (ambition), in a nationally determined manner, as well as enhance international cooperation.

The global stocktake is thus an opportunity for world leaders, scientists, national and subnational governments, and civil society to convene to assess the progress made and share best practices and lessons learned before proceeding to take concrete, more ambitious action and support, as well as enhance international cooperation and support.

5.1 Relationship between the global stocktake and the enhanced transparency framework

► [Article 13.5–13.6](#)

Article 13, paragraphs 5 and 6, of the Paris Agreement articulate clearly the fundamental role of the ETF in the global stocktake (see Box 10). The framework for transparency of action and the framework for transparency of support are together designed to provide clarity on the actions each Party is taking to respond to climate change. These actions include the financial, technology transfer and capacity-building support needed and received in developing countries and provided and mobilized by developed countries and other countries in a position to do so. The inputs and outputs of the ETF (including Party communications and reports from the technical expert review teams and the FMCP) are important inputs to the global stocktake.

Box 9

Relationship between the enhanced transparency framework and the global stocktake

Article 13

Paragraph 5. **The purpose of the framework for transparency of action** is to provide a clear understanding of climate change action in the light of the objective of the Convention as set out in its Article 2, including clarity and tracking of progress towards achieving Parties' individual nationally determined contributions under Article 4, and Parties' adaptation actions under Article 7, including good practices, priorities, needs and gaps, **to inform the global stocktake under Article 14.**

Paragraph 6. **The purpose of the framework for transparency of support** is to provide clarity on support provided and received by relevant individual Parties in the context of climate change actions under Articles 4, 7, 9, 10 and 11, and, to the extent possible, to provide a full overview of aggregate financial support provided, **to inform the global stocktake under Article 14.**

► *Decision 19/CMA.1,
paras. 6 and 35–36*

The global stocktake will cover the thematic areas of mitigation, adaptation and means of implementation and support, and will take into consideration efforts on loss and damage and response measures and will consider inputs on equity. Inputs to the global stocktake will be derived from a variety of sources. Key inputs include information reported by Parties in their BTRs on GHG emissions and removals, on the status of their mitigation efforts, on their overall progress in implementing and achieving NDCs, on barriers and challenges, including finance, technology transfer and capacity-building gaps faced by developing countries, and on the status of adaptation efforts.

► *Decision 19/CMA.1,
paras. 26–33*

The inputs will inform the technical assessment component of the global stocktake, which will comprise a series of technical dialogues between experts and Parties. The outcome of the technical assessment will inform high-level events in the political component of the global stocktake, which will culminate with the adoption of a CMA decision and/or declaration referencing the report on the technical assessment component.

► *Articles 14.3 and 4.9*

By design, the output of the global stocktake is to inform Parties in updating and enhancing their actions and support, in a nationally determined manner, and to enhance international cooperation for climate action, and the outcome should be reflected in Parties' subsequent NDCs.

5.2 Components of the global stocktake

There are three components of the global stocktake, which are discussed in this section.

► *Article 14.2*

► *Decision 19/CMA.1,
paras. 8 and 20–21*

5.2.1 Component one: collection and preparation of information

The information collection and preparation component of the global stocktake will start at the sessions of the subsidiary bodies in the second sessional period of 2021 and will conclude six months prior to the CMA session in 2023, unless critical information becomes available after this deadline. During this phase, information will be gathered and synthesis reports on the thematic areas of the global stocktake will be prepared. All of the information will be made available online by the secretariat. The secretariat will also facilitate the organization of webinars by the authors of the synthesis reports to clarify the methodologies and assumptions when preparing the reports. The subsidiary bodies (Joint Contact Group thereof) will assess the information provided and identify any potential information gaps, and if necessary, request further inputs to be submitted prior to the deadline for submission of information (six months prior to the consideration of outputs, which is May 2023 for the first global stocktake).

► *Decision 19/CMA.1,
paras. 8, 21 and 29–32*

5.2.2 Component two: technical assessment

The technical assessment component will begin at the session following the commencement of the information collection and preparation component of the stocktake and conclude six months prior to the CMA session in 2023. The global stocktake will make use of the best available science, as included in the latest reports of the IPCC. The technical assessment component will take place over two or three

sessions of the subsidiary bodies, depending on the timing of publication of scheduled IPCC reports. In the case of the first global stocktake, the contributions of the working groups to the Sixth Assessment Report of the IPCC are scheduled to be published in 2021, with the synthesis report to be finalized in 2022. Decision 19/CMA.1 underlines the importance of considering global stocktake information as it becomes available; the first technical dialogue of the technical assessment component will therefore need to take place in mid-2022 to begin considering this information. The technical assessment component will include an open and inclusive dialogue among Parties and constituted bodies, forums and other entities or processes under or serving the Paris Agreement and/or Convention, as well as among Parties and experts. The outputs of this component will be contained in summary reports for each thematic area of the global stocktake and a cross-cutting, overarching factual synthesis of the reports.



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► *Decision 19/CMA.1,
paras. 33–34*

5.2.3 Component three: consideration of outputs

For the first global stocktake, the findings of the technical assessment will be presented at the high-level events at the CMA session in 2023 as part of the consideration of outputs component. The high-level events will be chaired by a high-level committee comprising the Presidency of the CMA and the Chairs of the subsidiary bodies. These events will include discussions on the implications of the findings.

Box 10 examines the relationship between the first BTRs submitted under the ETF and the first global stocktake.

Box 10

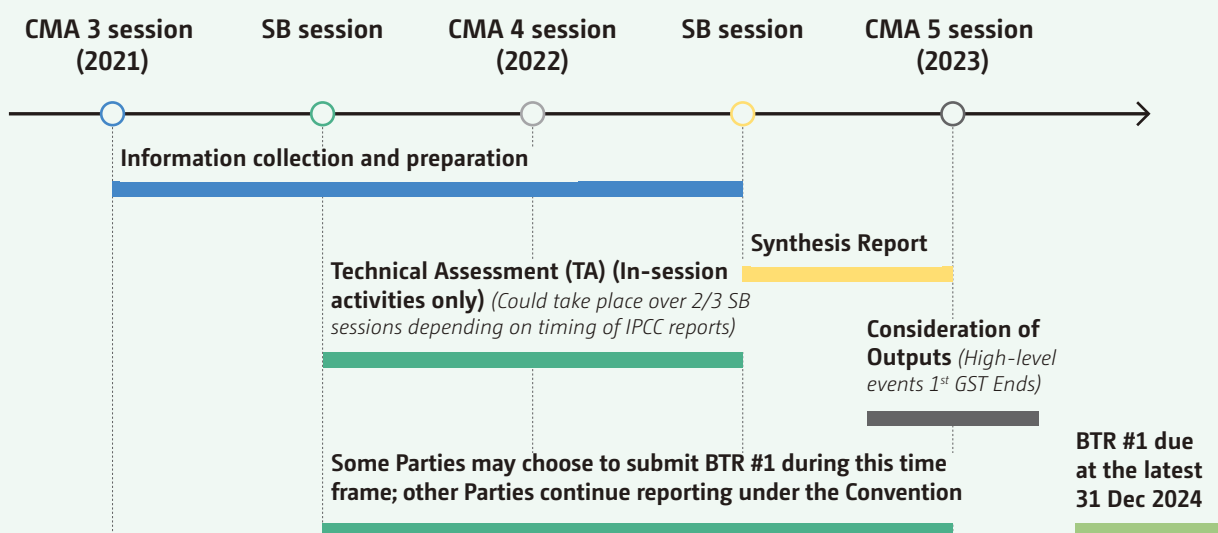
Relationship between the first biennial transparency reports submitted under the enhanced transparency framework and the first global stocktake

The global stocktake is designed to assess collective progress made by Parties towards achieving the purpose and goals of the Paris Agreement. The outputs of the stocktake will not focus on individual Parties. As the first global stocktake will commence in November or December 2021 and conclude in November or December 2023, but the first BTRs are due to be submitted by Parties by, at the latest, 31 December 2024, it might be concluded that not every Party's BTR may be available in time.

As illustrated below, for the first global stocktake, the information collection and preparation component will be launched in late 2021 and all inputs (with the

exception of any critical information that comes to light after the deadline) will be due no later than May 2023 (i.e. six months prior to the CMA). Although BTRs are not formally due until, at the latest, the end of 2024, after the first global stocktake, some Parties have expressed an interest in submitting their BTR earlier. Reports and communications from Parties, in particular those submitted under the Paris Agreement and the Convention, are primary inputs to synthesis reports for the stocktake. Therefore, BTRs submitted in time for the information collection and preparation component will be included in the global stocktake, along with the latest information from other Parties, including any reporting under the Convention.

First global stocktake





Chapter 6

**FACILITATING
IMPLEMENTATION
AND PROMOTING
COMPLIANCE UNDER
THE PARIS AGREEMENT**

6. Facilitating implementation and promoting compliance under the Paris Agreement

► *Article 15.1–15.2*

The Paris Agreement calls for the establishment of a committee to serve as a mechanism to facilitate the implementation of and promote compliance with its provisions (referred to in this section as the committee). The committee is expert-based and facilitative in nature and functions in a manner that is transparent, non-adversarial and non-punitive, paying particular attention to the respective national capabilities and circumstances of Parties.

6.1 Initiation of compliance considerations, including through the enhanced transparency framework

► *Decision 20/CMA.1, annex, paras. 20, 22(a–b) and 32*

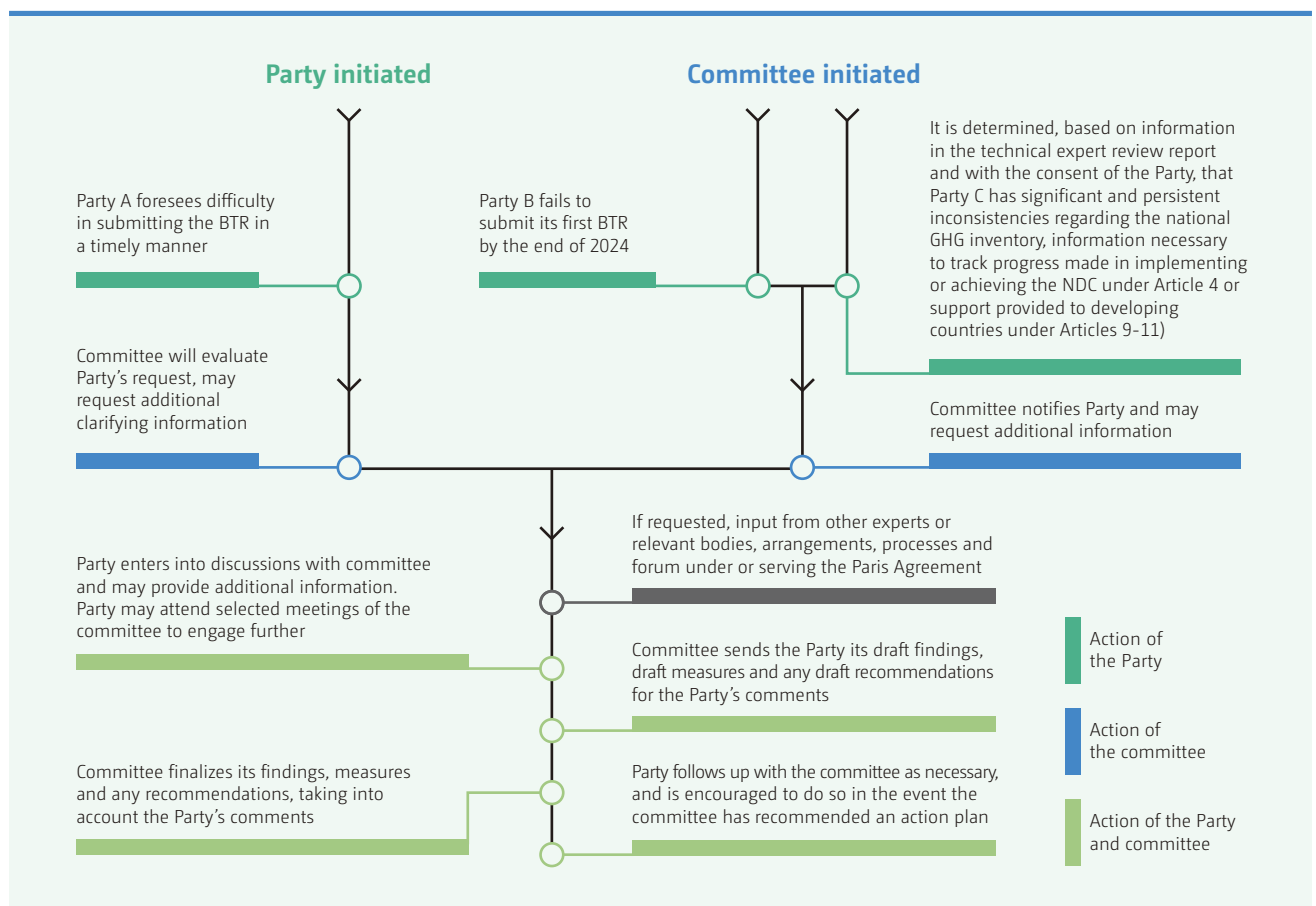
Parties and the committee may engage with each other on implementation and compliance in one of several ways (see also figure 15):



- A Party may approach the committee on its own initiative to seek its advice regarding national efforts to implement or comply with the provisions of the Paris Agreement;
- The committee will initiate contact in cases where a Party fails to communicate or maintain an NDC under Article 4 of the Paris Agreement, does not submit a BTR, does not participate in the FMCP, or, in the case of developed countries, does not submit a biennial communication under Article 9, paragraph 5, on indicative quantitative and qualitative information on financial resources to be provided to developing countries;
- The committee may, with the consent of the Party, engage in a facilitative consideration of issues in cases of significant and persistent inconsistencies between the information submitted by a Party in its BTR and the requirements of the MPGs;
- The committee may identify issues of a systemic nature across Parties' submissions, and if so, upon request by the CMA, may examine the issues further.

Figure 15

Engagement between Parties and the committee to facilitate implementation and promote compliance regarding the enhanced transparency framework



6.2 Outputs of consideration by the committee

► *Decision 20/CMA.1, annex, paras. 4 and 24–25*

As a facilitative body, the committee does not apply penalties or otherwise take enforcement action, but rather supports Parties in their efforts to implement and comply with the provisions of the Paris Agreement. To provide such assistance, the committee works in close consultation with Parties, communicating both in person and in writing to understand the underlying issues. For example, a Party may provide the committee with information on capacity constraints, needs or challenges, including in relation to support received. Those constraints may have already been identified through the Party's BTR submission in consultation with the technical expert review team or during the FMCP process, or they may be newly identified.

► *Decision 20/CMA.1, annex, para. 30*

After consultation with the Party, the committee, in order to facilitate implementation and promote compliance, may take one or more actions, including:

- Engage in a dialogue with the Party concerned with the purpose of identifying challenges, making recommendations and sharing information, including in relation to accessing financial, technological and capacity-building support, as appropriate;
- Assist the Party in engaging with the appropriate financial, technology transfer and capacity- building bodies or arrangements under the Paris Agreement to identify challenges and possible solutions, make recommendations regarding these challenges and communicate recommendations, with the consent of the Party concerned, to the relevant bodies or arrangements, as appropriate;
- Recommend the development of an action plan and, if so requested, assist the Party in developing the plan;
- Issue findings of fact where a Party has not communicated or maintained an NDC, submitted a mandatory report or communication of information under the Paris Agreement, in accordance with Article 9, paragraphs 5 or 7, or Article 13, paragraphs 7 or 9.

► *Decision 20/CMA.1, annex, paras. 23 and 28*

It is important to highlight that the committee *facilitates* implementation. It does not review the substance or contents of a Party's NDC or other communications, but rather it reviews the timeliness of such submissions. Any final measures and outputs of the committee will reflect the nature of the Paris Agreement provision under discussion (e.g. if it is a mandatory requirement), the comments received from the Party and the national circumstances of the Party (including specific circumstances of SIDS and the LDCs, and situations of force majeure).

► *Decision 20/CMA.1, annex, para. 29*

Parties may follow up with the committee if further support is needed. In cases where the committee has recommended the development of an action plan, Parties are encouraged to follow up with the committee to communicate their progress in implementing the plan.



Chapter 7
CONCLUSION

7. Conclusion

The Paris Agreement introduces a new global regime for addressing climate change. Although the reporting and review requirements related to the ETF build on practices under the Convention and its Kyoto Protocol, under the Paris Agreement there will be new reporting requirements for all Parties, but particularly developing country Parties.

This manual aims to help technical expert reviewers understand and prepare for their crucial role in the ETF. The first BTRs are due by 2024 at the latest, but the manual is relevant now as future reviewers of BTRs seek to learn more about the reporting requirements and position themselves to support the review process. For Parties, the manual may be a useful tool as they seek to develop their institutional arrangements to support implementation of the Paris Agreement, in particular with regard to the requirements for the ETF under Article 13.

In addition to the requirements of the ETF, this manual explores important linkages between the ETF and related processes and bodies, specifically the communication and accounting of NDCs, the global stocktake and the committee to facilitate implementation and promote compliance. Regarding NDC accounting, although the principles and rules have been agreed, negotiations continue on accounting as it relates to Article 6 and on the reporting of accounting outcomes in the BTR, including in the structured summary. The manual will be updated when relevant decisions are reached. It may also be expanded to include examples of good practices as reviewers gain experience in implementing the Paris Agreement.



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Annexes

Annex I: Timelines relevant to the enhanced transparency framework

Although the first BTRs under the Paris Agreement are not due until the end of December 2024, countries are actively engaged at the local, national and international level in their preparations. Key milestones and deadlines concerning the ETF and the broader implementation of the Paris Agreement are outlined in table A.1 and figure A.1.

Table A.1
Milestones for transparency accounting for mitigation under the Paris Agreement

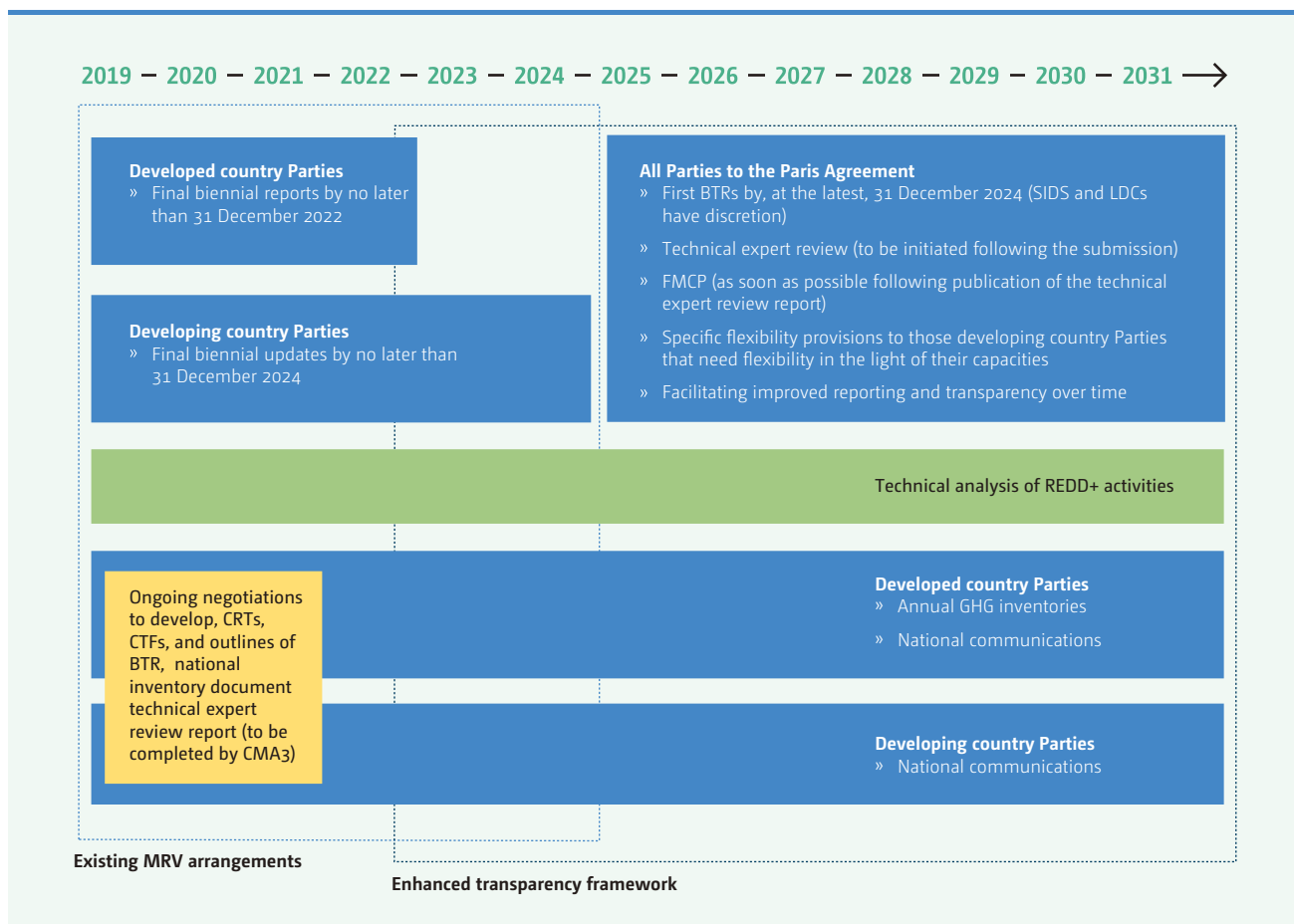
Date	Activity	Reference
By 2020	Parties with an intended NDC to 2025 to communicate a new one	Decision 1/CP.24, para. 22
By 2020	Parties with an intended NDC to 2030 to communicate a new one or update the existing one	Decision 1/CP.24, para. 23
By 2020	Mid-century, long-term low GHG emission development strategies to be communicated	Decision 1/CP.21, para. 35
2020	Committee to facilitate implementation and promote compliance to meet for the first time	Decision 20/CMA.1, annex, para. 12
November 2021	Rules of procedure of the committee to facilitate implementation and promote compliance to be adopted	Decision 20/CMA.1, annex, para. 17
November 2021	Information collection for first global stocktake to be initiated	Decision 19/CMA.1, para. 8
31 December 2022	Final biennial report to be submitted no later than this date	Decision 1/CP.24, para. 38
2022–2023	Technical assessment of inputs to first global stocktake	Decision 19/CMA.1, para. 8

Table A.1 (continued)

Milestones for transparency accounting for mitigation under the Paris Agreement

Date	Activity	Reference
November 2023	First global stocktake: consideration of outputs	Article 14, para. 2
2024	CMA to consider features of NDCs	Decision 4/CMA.1, para. 20
2024	Modalities and procedures for the committee to facilitate implementation and promote compliance to be reviewed	Decision 20/CMA.1, para. 2
31 December 2024	Final biennial update report to be submitted no later than this date	Decision 1/CP.24, para. 38
31 December 2024	All Parties to submit first BTR by this date at the latest except the LDCs and SIDS, which can submit at their discretion	Decision 18/CMA.1, paras. 3–4
2024	NDC to be communicated at least nine months prior to relevant COP	Decision 1/CP.21, para. 25, and decision 1/CP.24, para. 23
2025	CMA to reconsider guidance on adaptation communication	Decision 9/CMA.1, para. 16
Late 2026 or early 2027	Information collection for second global stocktake to be initiated	Decision 19/CMA.1, para. 8
2027	The review and, if necessary, update of the information necessary for clarity, transparency and understanding in NDCs and the accounting guidance for NDCs to be initiated (with a view to adopting a decision in 2028)	Decision 4/CMA.1, para. 18
Late 2027	Information collection for second global stocktake to be completed	Decision 19/CMA.1, para. 8
2027–2028	Technical assessment of inputs to second global stocktake	Decision 19/CMA.1, para. 8
2028	Consideration of outputs for second global stocktake	Article 14, para. 2
2028	MPGs for ETF to be reviewed	Decision 18/CMA.1, para. 2

Figure A.1
Moving towards the enhanced transparency framework



Annex II. Frequently asked questions on the operationalization of the enhanced transparency framework

Aiming to strengthen the global response to the threat of climate change, Parties adopted the Paris Agreement in 2015, and through it established the ETF. Countries are now actively engaged in establishing the arrangements necessary to implement the ETF. As these efforts advance, questions arise about the operationalization of the ETF and the enhancement of the current MRV system under the Convention and its Kyoto Protocol as it relates to the ETF.

The answers provided to the questions frequently asked by stakeholders attempt to assist all stakeholders in enhancing their understanding of the ETF.

For the latest list of frequently asked questions, see <https://unfccc.int/enhanced-transparency-framework>.

Additional questions will be included over time. If you have a question regarding the implementation of the ETF that you believe should be included, please send an email to etf@unfccc.int.

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Modalities, procedures and guidelines for the transparency framework for action and support referred to in Article 13 of the Paris Agreement. Decision 18/CMA.1.

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