#### FAO and the Enhanced transparency framework



# In this presentation

- An overview of Decision 18/CMA.1 Modalities Procedures and Guidelines (MPGs) of the Enhanced Transparency Framework (ETF)
- Chapter III: Information necessary to track progress made in implementing and achieving its NDC under the Article 4 of the Paris Agreement
- Approaches and methodologies for tracking NDC progress



# Decision 18/CMA.1 - Modalities Procedures and Guidelines (MPGs) of the ETF

- Adopt the First Biennial Transparency Report (BTR) to be submitted no later than 31st December 2024
- Section II of the BTR shall include the information necessary to track progress made in implementing and achieving NDCs (MPGs paras. 59–103)
- The Decision -/CMA.3, Provides the outline of the BTR and Common tabular formats for reporting the information necessary to track NDCs
- Decision 4/CMA.1, provides further guidance in relation to the mitigation section
- For the first BTR, each Party shall provide an assessment of whether it has achieved the target(s) for its NDC and the most recent information for each selected indicator



# MPGs, Chapter III - Information necessary to track progress made in implementing and achieving its NDC under the Article 4 of the Paris Agreement

- Section A: National circumstances and institutional arrangements
- Section B: Description of Party's nationally determined contribution under Article 4
- Section C: Information necessary to track progress made in implementing and achieving its NDC under the Article 4 of the Paris Agreement

# MPGs, Chapter III - Information necessary to track progress made in implementing and achieving its NDC under the Article 4 of the Paris Agreement

- Section D: Mitigation policies and measures, actions and plans, including those with mitigation co-benefits resulting from adaptation actions and economic diversification plans, related to implementing and achieving a nationally determined contribution under Article 4 of the Paris Agreement
- Section E: Summary of greenhouse gas emissions and removals
- Section F: Projections of greenhouse gas emissions and removals, as applicable

# Section A: National circumstances and institutional arrangements

Each Party **shall** describe:

- National circumstances:
  - ✓ Government structure, population & geographical and climate profile, sector Details
  - ✓ How the above affect NGHG emissions and removals over time.
- Institutional arrangements:
  - ✓ internationally transferred mitigation outcomes, for domestic MRV system, archiving system, stakeholder engagement

### Section B: Description of the NDC

#### Each Party **shall** describe:

- Target(s) type (s): absolute or emissions intensity, baseline, mitigation cobenefits, policies and measures
- Target year(s) or period(s): single-year or multi-year target(s)
- Reference point(s), level(s), baseline(s), base year(s) or starting point(s), and their respective value(s)
- Time frame(s) and/or periods for implementation
- Scope and coverage (sectors, categories, activities, sources and sinks, pools and gases)



## Section B: Description of the NDC

### **Example**

The unconditional pathway will result in absolute emission levels of 347.3 Mt CO2eq in 2030, which represents a reduction against the revised BAU of 14% (-56 Mt CO2eq) in 2030. The impact of further policy interventions proposed under the conditional pathway decreases absolute emission levels to 125.8 Mt CO2eq such that the combined impact of unconditional and conditional contributions represents a reduction of 68.8% (-277.7 Mt CO2eq) in comparison with the revised BAU emissions in 2030 (Figure 3). This ambitious pathway is conditional on international support and includes Ethiopia's unconditional efforts.

Source: Ethiopia, Updated Nationally Determined Contribution, 2021



# Section C: Information necessary to track progress made in implementing and achieving NDCs under the Article 4 of the Paris Agreement

### Selection of indicator(s), (MPGs, para 65).

#### Each Party:

- Shall identify the indicator(s) that it has selected to track progress of its NDC
  - ✓ Indicator (s) are relevant to the NDC targets
  - ✓ Can be qualitative or quantitative

# Example of indicator types according to MPGs para 66 vs updated NDC targets

Type of Indicator	Example of NDC	Country
Net GHG emissions and removals	Emissions reduction of approximately 64.6 million tCO2e/year by 2030	Cambodia NDC, 2020
Percentage reduction of GHG intensity	40 % reduction in per capita GHG emissions below BAU by 2030.	Zimbabwe NDC, 2021
Qualitative Indicator of a policy and measure	Participatory environmental management of resources and forms of land use	Argentina NDC, 2020
Other	Increase of forest cover to 12.9 % of the territory of Armenia by 2030	Armenia NDC, 2020

### Description of selected indicators (MPGs, para 67)

- Shall provide information for each indicator: Reference point(s), level(s), baseline(s), base year(s) or starting point(s).
  - ✓ Update the information in accordance with any recalculation of the GHG inventory, as appropriate.

### **Example:**

The 2019 base year of 58.8 MtCO2 emissions was estimated using the IPCC 2006 for National Greenhouse Gases Inventories. There is a possibility of recalculating the 2019 greenhouse gases emissions value by 2025 to reflect the policy changes and improved data availability. The final value for 2030 target will be reported in the National Greenhouse Gases Inventory document covering the period up to 2030.

Source: Ghana, Updated NATIONALLY DETERMINED CONTRIBUTIONS 2021



# Information necessary on each selected indicator (MPGs, para 68-70)

#### Each Party:

- Shall provide the most recent information for each indicator for each reporting year during the implementation period
- Shall provide information for the previous reporting year for each indicator
- Shall compare the most recent information for each indicator with the reference information to track NDC progress

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# **Example of tracking NDC progress for GHG-related indicators**

#### **Example:**

- Indicator : Net GHG emissions and removals
- Target year : 2030
- Target level: decreases absolute emission levels to 125.8 Mt CO2eq

#### **Tracking progress:**

- ✓ Actual emissions and removals in 2030 (inventories) ≤ 125.8 Mt
   CO2eq = NDC target achieved
- ✓ Actual emissions and removals in 2030 ≥ 125.8 Mt CO2eq =
   NDC target not achieved



# Methodology / accounting approach (MPGs paras. 72 – 73)

#### Each Party:

For the 1st NDC	For the 2nd NDC and subsequent NDCs
Shall provide assessment of whether it has achieved the target in its NDC.	Shall provide information referred to in MPGs III.C and D consistent with decision 4/CMA.1.
Shall indicate and report their accounting approach & consistency with the PA, Article 4, paras. 13 - 14	
<ul> <li>May choose to provide information on the accounting of its first NDC consistent with the decision 4/CMA.1.</li> </ul>	Shall clearly indicate how its reporting is consistent with decision 4/CMA.1.

## Methodology / accounting approach (MPGs paras. 74-75)

Each Party Shall provide a description of each methodology and/or accounting approach used for:

Parameters	Methodology and / or accounting approach consistency with the decision 4/CMA.1
■ Target (s)	<ul> <li>✓ Key parameters and assumptions, definitions, data sources and models used</li> <li>✓ IPCC guidelines used</li> <li>✓ Metrics used</li> </ul>
<ul><li>Construction</li><li>n of</li><li>the baseline</li></ul>	<ul> <li>✓ Any sector, category or activity-specific assumptions, methodologies and aproches consistent with IPCC guidance</li> <li>✓ The approach used to address emissions and removals from:         <ul> <li>natural disturbances on managed lands;</li> <li>harvested wood products;</li> </ul> </li> </ul>
■ Indicator(s)	<ul> <li>effects of age-class structure in forests;</li> <li>mitigation co-benefits of adaptation actions and/or economic diversification plans; use of internationally transferred mitigation outcomes consistent with CMA guidance on cooperative approaches under Article 6;</li> <li>track progress arising from the implementation of policies and measures;</li> <li>any other methodologies; conditions; assumptions related to its NDC and its achievement</li> </ul>

### Methodology / accounting approach (MPGs Para 76.)

#### Each Party **shall** describe:

- How the methodology in each reporting year is related to the methodology when communicating its NDC and is consistent with the NGHGI (Decision 4/CMA.1)
  - ✓ Report any methodological changes made during the implementation of the NDC
  - ✓ Maintain consistency in scope and coverage, definitions, data sources, metrics, assumptions and methodological approaches with the GHGI and any methodological inconsistency with the recent NGHGI
  - ✓ How double accounting of GHG emissions has been avoided.



## Methodology and/or accounting approach (MPGs para 77.)

### Each party **shall** provide:

- Contribution from LULUCF for each year of the target year/period, if not included in the inventory time series
- An emissions balance covered by its NDC adjusted on the basis internationally transferred mitigation outcomes & any information consistent with the CMA on Article 6 (information to be reported in a narrative and common tabular formats)



Section D: Mitigation policies and measures, actions and plans, including those with mitigation co-benefits resulting from adaptation actions and economic diversification plans, related to implementing and achieving a nationally determined contribution under Article 4 of the Paris Agreement



Each party:

- Shall provide information on actions, P&Ms that support the implementation and achievement of its NDC (MPGs para 88)
  - ✓ Focus on those having the most significant impact on GHG emissions
  - √ impacting key categories in the NGHGI
- **Shall** organize reporting by sector (Energy, transport, industrial processes and product use, agriculture, LULUCF, waste management and other)



- Each Party shall provide information on:
  - ✓ Name; Description; Objectives;
  - ✓ Type of instrument (regulatory, economic or other);
  - ✓ Status (planned, adopted or implemented);
  - ✓ Sector(s) affected (energy, transport, industrial processes and product use, agriculture, LULUCF, waste management or other);

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✓ Gases affected (CO2, CH4, N2O, HFCs, PFCs, NF3)

- Shall provide information on:
  - ✓ Start year of implementation;
  - ✓ Implementation entity or entities;
- May also provide:
  - ✓ Costs;
  - ✓ Non-GHG mitigation benefits;
  - ✓ How mitigation actions identified interact with each other.

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- Shall provide estimates of expected and achieved GHG emission reductions for its actions, policies and measures

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- Should identify actions, P&Ms:
  - ✓ No longer in place compared with the most recent BTR and explain why they are no longer in place.

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BTR

- ✓ Influence GHG emissions from international transport.
- ✓ Modifying longer-term trends in GHG emissions

#### E. GHG emissions and removals

Each Party:

• Shall provide a summary of its GHG emissions and removals if the GHGI is submitted as a stand-alone report. Include reporting years corresponding to the most recent GHGI, in a tabular format

# F. Projections of greenhouse gas emissions and removals

- Shall report projections of GHG emissions/removals
- Shall not use projections to assess progress towards NDC implementation, unless it has been identified as baseline

Flexibility for
LDC: encouraged
to report
projections + can
use less detailed
methodology or
coverage

- Shall report 'with measures' projection;
- May report a 'with additional measures' projection and a 'without measures' projection.
- Shall begin from the most recent year in the NGHGI to at least 15 years
   beyond the next year ending in 0 or 5

  Extend: Projections least to the NDC end point



## F. Projections of greenhouse gas emissions and removals

- Each party should describe the methodology used for its projections:
  - ✓ Models and/or approaches; key underlying assumptions; parameters (e.g. gross domestic product growth rate/level, population growth rate/level)
  - ✓ Changes in the methodology since the most recent BTR
  - ✓ Assumptions on P&Ms included in the 'with measures' projections and 'with additional measures' if used
  - ✓ Sensitivity analysis for any of the projections



## F. Projections of greenhouse gas emissions and removals

Each Party shall provide projections for:

Projections shall be presented in graphical and tabular formats

- ✓ key indicators to determine progress towards its NDC (MPGs para 97)
- ✓ sectors and by gas, as well as for the national total (consistent with NGHGI)
- Projections shall be:
  - ✓ relative to actual inventory data for the preceding years
  - ✓ provided with and without LULUCF



# **Next steps**

- The UNFCCC to develop reporting tools for common tabular formats (a test version to be available by June 2024)
- Parties to submit their views on their experiences with the test version of the reporting tools, including inputs on improving the tools
- Facilitate the interoperability between the reporting tools and IPCC software

#### FAO and the Enhanced transparency framework

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