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## Policy pointers

**The Least Developed Countries (LDCs)** are ready to take the opportunity COP24 offers to push for an enhanced transparency framework (ETF) that holds developed countries to account for keeping Paris ambition on course; achieving this will benefit all nations.

**While the Paris Agreement** recognises LDCs' significant capacity constraints and grants flexibility in implementing the ETF, LDCs need support to develop transparency-related capacity and achieve strong implementation of the ETF over time. The Capacity Building Initiative for Transparency (CBIT) has a key role to play and should pay special attention to LDCs.

**Similar support is also needed** to strengthen LDC reporting on greenhouse gas emissions and nationally determined contributions, even as flexibility is currently granted to prepare and communicate a variety of more qualitative than quantitative mitigation goals.

**While LDCs will be able to report** financial support needed and received, the Paris Agreement provides for double bookkeeping that will help a clear picture to emerge of the international climate finance landscape.

# COP24: LDCs' moment to shape an inclusive climate transparency framework

The Paris Agreement provides the foundation for the most robust climate change transparency system to date. The framework delivered by the Agreement sets out a clear objective for all Parties to work towards, offering the flexibility needed for application by countries with limited capacity. Specifically, Article 13 established an 'enhanced transparency framework' (ETF) for action and support, covering mitigation activity, adaptation action, climate finance and other areas of support. While its function and structure are established, the detail of how to implement and further develop the ETF will be agreed at COP24 through a common set of modalities, procedures and guidelines. As thoughts turn to what can be agreed in Katowice in December, this briefing identifies some of the existing challenges for LDCs and outlines some priority areas regarding the operationalisation of the ETF.

When the Paris Agreement established the enhanced transparency framework (ETF), it created an oversight mechanism to ensure its provisions are implemented effectively and to hold states accountable for their pledges. The ETF aims to:

- Ensure that countries provide the information necessary to understand actions they are taking to tackle climate change, including on progress towards implementing nationally determined contributions (NDCs) and on adaptation efforts
- Provide clarity on the support countries provide and receive, including capacity building, technology transfer and climate finance.

By requesting and reviewing this information from all nations, the ETF can build vital international trust, cooperation and confidence that countries are meeting their commitments.

Crucially, information reported through the ETF will inform the global stocktake (GST), which seeks to provide the 'big picture' of collective progress towards the Paris Agreement's long-term goals for mitigation, adaptation and climate finance.

The 'enhanced' aspect of the ETF relates to the fact that the framework will build on the UNFCCC's existing transparency arrangements, enhancing standards for all countries and fostering improvement over time. The ETF is guided by a general progression principle that means that transparency standards should not fall below existing requirements, while also recognising the special circumstances of Least Developed Countries (LDCs) and Small Island Developing States (SIDS) and the flexibilities these countries require to implement this new framework. In this briefing we focus on the LDCs.

## *The ETF is guided by a general progression principle, but recognises the special circumstances of LDCs*

### Transparency on mitigation: latitude for LDCs

**Greenhouse gas inventories.** Under the ETF, all countries are required to submit national

greenhouse gas (GHG) inventory reports prepared following Intergovernmental Panel on Climate Change (IPCC) good practice guidance. National GHG inventories provide a comprehensive picture of man-made national emissions by

source and removals by sinks. Crucially, the inventories provide a foundation to demonstrate progress towards achieving NDCs; they are critical to assessing collective headway in the GST process.

While developed countries already produce annual GHG inventories, covering all seven GHG gases under the Kyoto Protocol (a requirement that will continue under the Paris Agreement), developing countries, especially the LDCs, have far less experience. They face acute challenges in data availability, often lacking sustainable national inventory systems and regular staff to estimate, compile and regularly deliver national GHG inventory reports. LDCs need technical assistance to improve the accuracy and currency of their data, coverage of gases and the training of in-country staff. As significant gaps will not be filled immediately, flexibility is needed so national inventory arrangements can develop and grow stronger over time. Broadly speaking, LDCs could start by reporting what they can in terms of number of GHG gases and level of detail, while moving towards more comprehensive reporting as their capacity increases. Reporting efforts can help to identify gaps and capacity constraints, leading to enhanced transparency over time.

Despite the challenges, some LDC countries are currently using the 2006 IPCC guidelines for their GHG inventory reports, others apply the 1996 guidelines or a combination of both. The majority of LDCs need technical support to transition to the latest IPCC guidelines over a suitable timeframe, with leeway to apply a lower threshold in key categories as they build capacity to use higher methodological tiers over time.

**Tracking progress of NDCs.** The ETF also asks all countries to report on progress towards implementing and achieving their NDCs. The NDCs that have been communicated so far are diverse: some are quantitative (such as absolute emission reduction targets) and others are qualitative (such as goals to adopt climate-friendly paths), and some are conditional while

others are unconditional.<sup>1</sup> The Paris Agreement requires Parties to communicate a new or updated NDC every five years, demonstrating a progression in ambition. This provides an opportunity for successive NDCs from all countries to be brought forward in line with Paris Agreement goals.

NDCs should communicate to the global community how a country's emission pledges are generated. This includes information to facilitate clarity, transparency and understanding — known as ICTU. While NDCs might continue to be diverse, guidance on ICTU will ensure that goals are well defined and supported by the information necessary to understand each country's mitigation effort, how they expect to achieve it and how it compares with pledges from other countries. If information is complete and clear, NDCs will be 'trackable' and their collective impact can be aggregated for the GST. Guidance on tracking NDC progress is also being developed as part of the ETF; it is expected to stipulate what information countries are required to provide to do this.

While developed countries should continue taking the lead by undertaking economy-wide absolute emission reduction targets and increasing their NDC ambition every five years, LDCs are encouraged to strive in this direction in line with their capacities. The Paris Agreement provides LDCs and SIDS with the option to prepare strategies, plans and actions for low GHG emission development, so it is important that guidance for tracking progress is consistent with different NDC types, including those that contain qualitative mitigation objectives as opposed to quantitative goals (Box 1). The system to track progress must then be flexible enough to capture a variety of goals, potentially based on progress made towards a 'milestone' rather than measurement in quantified outcomes.

However, it is important to note that this flexibility in mitigation has not prevented a number of LDCs from submitting NDCs with quantified mitigation targets, demonstrating leadership, ambition and commitment to the Paris Agreement's long-term goals. Bhutan, for example, has submitted an absolute emission target to remain carbon neutral, while Ethiopia committed to limit its net GHG emissions to 64% from a business as usual scenario by 2030.<sup>5</sup>

### Transparency on adaptation: the value to LDCs

Adaptation is an important component of any national climate response and a top priority for LDCs. The LDC Group called for a long-term vision of adaptation in the Paris Agreement and

## Box 1. Different but valuable: nationally determined contributions targeting implementation

In their nationally determined contributions, some Least Developed Countries have framed their mitigation contributions as the implementation of policies and actions. Examples include:

- Preparing renewable energy strategies and regulations in Mozambique<sup>2</sup>
- Developing a legal framework for long-term low-carbon development in Guinea Bissau<sup>3</sup>
- Establishing a national secretariat for climate change in Sierra Leone.<sup>4</sup>

an architecture to ensure adequate support for it. The Paris Agreement requests that Parties should submit and update 'adaptation communications' (which may or may not form part of an NDC), providing a space for countries to provide information such as priorities, plans and actions as well as financial and non-financial support required to meet adaptation needs. Nearly all NDCs submitted by LDCs — 46 out of 47 — include information on their current and/or planned adaptation priorities, plans and actions, reflecting how important adaptation is to poorer nations.<sup>6</sup>

For the LDCs, clear advantages and opportunities arise from identifying and collecting adaptation-related information:

- At national level, it helps identify and prioritise adaptation needs, coordinate across sub-national government entities, fill knowledge gaps and define areas for external support
- At international level, regular adaptation reporting helps disseminate existing knowledge and lessons learned through planning and implementing adaptation efforts.<sup>7</sup> Crucially, it can also attract international support: developed countries can raise and mobilise climate finance for adaptation based on LDCs' self-identified needs.

So for LDCs, assessing and prioritising adaptation needs, and even developing estimates for support required, is a beneficial exercise. This is especially the case if their reporting can follow agreed methodological guidance — which enhances the consistency and robustness of information — while also maintaining the flexibility to accommodate the availability and diversity of data in poorer countries. Nevertheless, some challenges to reporting adaptation information may continue to exist. For instance: defining what adaptation support exactly comprises; identifying what levels of support would be 'adequate' and/or 'effective'; and disentangling finance for adaptation from development funding.<sup>7</sup> Bodies associated with the UNFCCC process could shed light on these challenges and provide useful guidance. The Adaptation Committee, for

example, was mandated to consider methodologies for assessing adaptation needs with a view to assisting developing countries. While LDCs may not currently have the capacity to present the detailed costs required to meet adaptation needs, the LDC Expert Group could present approximate figures and requirements. What must remain clear is that capacity constraints should not prevent support reaching the most vulnerable people.

Aside from adaptation communications, countries can submit information related to climate change impacts and adaptation under the ETF. Although the exact content and focus of this reporting is still under negotiation, some countries interpret this as an opportunity to report back on progress made on the implementation of adaptation efforts, support needs and plans that were identified in the more future-focused adaptation communications. For LDCs, providing information on progress and updates on implementation represents an opportunity to highlight both adaptation efforts and challenges that they encountered, including support needs not met.

### Transparency of support

The LDC Group's main ask of the ETF was that it established an enhanced and robust transparency system that covers not just action but also support. As well as transparency around mitigation, LDCs specifically called for better and enhanced clarity and transparency on financial support provided to and received by developing countries.<sup>8</sup>

Under the ETF, developed countries are required to report information on support provided to developing countries, including financial, technology transfer and capacity building support. This requirement is developed further within the Paris Agreement, with Article 9 in particular creating the obligation for developed countries to report every two years on projected levels of the financial resources to be provided as well as information on financial support provided and mobilised — so called 'ex-ante' and 'ex-post' information on climate finance, respectively. Meanwhile, under the ETF, developing countries can report information on support 'needed' and

'received' at their discretion. Together, these provisions add up to a ground-breaking transparency framework for support that represents an opportunity for the global community to monitor, report and verify support to deal with climate change.<sup>9</sup>

The fact that LDCs will be able to report financial support needed and received 'at their discretion' is necessary to protect those countries from heavy reporting duties. However, as noted by van Aseelt *et al.*, discretionary reporting might be a double-edged sword if it impedes the emergence of a clear picture of the international climate finance landscape for many of the world's most vulnerable nations.<sup>10</sup> But since both contributors and recipients are required to report on finance, the Paris Agreement provides for double bookkeeping: this should allow comparability and the possibility to hold developed countries to account.<sup>11</sup>

### Enabling conditions: towards LDC implementation of the ETF

LDCs fully support the purpose and guiding principles of the ETF. But collaboration is paramount to strengthen LDCs' capacities and enable their continuous improvement towards its strongest possible implementation. For instance, collaboration could focus on strengthening institutional arrangements and data systems: with limited climate reporting experience and insufficient systems for gathering reliable data on emissions, support for LDCs is important to meet reporting requirements related to GHG inventories and tracking NDC progress. Furthermore, if countries make use of market-based mechanisms, having the appropriate infrastructure in place to track internationally transferable emissions would be necessary.

Data systems are relevant not only for tracking mitigation efforts but also for information on climate finance. In this sense, collaboration to gradually develop and/or improve existing financial systems to enhance reporting processes on support received would be valuable. This should ultimately help to make financial support more responsive to the needs of developing

countries. Sharing lessons learned and best practices with countries that are comparatively more experienced could also prove useful. In the same vein, capacity building efforts could encompass support to identify national strategies and needs, on adaptation for example, and how support received can address those needs.

The review elements under the ETF, such as the technical expert review (TER), should also contribute to increasing the quality of reporting and transparency arrangements. The TER process — which must have a suitable format allowing for the circumstances of LDCs — should provide an opportunity for the exposure and better understanding of barriers to reporting and transparency systems at domestic level, as well as exposing needs and gaps. It should make constructive recommendations and, fundamentally, help to catalyse support to help overcome challenges.

The Capacity Building Initiative for Transparency (CBIT) also has a significant role to play. Created under the Paris Agreement to strengthen the capacities of developing countries to meet transparency requirements, CBIT's support should be periodic, sufficient and place special attention on LDCs. It should focus on strengthening existing systems and building durable capacities within these countries.

While much work remains to be done, the LDCs are ready to push for a transparency framework that recognises their challenges and holds developed countries to account, to keep the ambition of the Paris Agreement on course. To match their commitment, support from other nations and international funding sources will be crucial for boosting national transparency systems to enable strong ETF contributions from LDCs.

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### Notes

<sup>1</sup> Bodansky, D, Brunnee, J and Rajamani, L (2017) International climate change law. Oxford University Press. / <sup>2</sup> Intended Nationally Determined Contributions (INDCs) presented by Mozambique. [www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Mozambique%20First/MOZ\\_INDC\\_Final\\_Version.pdf](http://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Mozambique%20First/MOZ_INDC_Final_Version.pdf) / <sup>3</sup> Intended Nationally Determined Contribution (INDC) presented by Guinea Bissau. [www4.unfccc.int/sites/submissions/INDC/Published%20Documents/Guinea%20Bissau/1/GUINEA-BISSAU\\_INDC\\_Version%20to%20the%20UNFCCC%20\(eng\).pdf](http://www4.unfccc.int/sites/submissions/INDC/Published%20Documents/Guinea%20Bissau/1/GUINEA-BISSAU_INDC_Version%20to%20the%20UNFCCC%20(eng).pdf) / <sup>4</sup> Intended Nationally Determined Contributions (INDCs) presented by Sierra Leone. [www4.unfccc.int/submissions/INDC/Published%20Documents/Sierra%20Leone/1/-%20SIERRA%20LEONE%20INDC.docx](http://www4.unfccc.int/submissions/INDC/Published%20Documents/Sierra%20Leone/1/-%20SIERRA%20LEONE%20INDC.docx) / <sup>5</sup> Intended Nationally Determined Contribution (INDC) presented by Ethiopia. [www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Ethiopia%20First/INDC-Ethiopia-100615.pdf](http://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Ethiopia%20First/INDC-Ethiopia-100615.pdf) / <sup>6</sup> Climate Analytics (2017) Synthesis of the LDCs' NDCs Analysis. [https://climateanalytics.org/media/synthesis\\_of\\_the\\_ldcs\\_ndcs\\_analysis\\_impact\\_2017.10.04.pdf](https://climateanalytics.org/media/synthesis_of_the_ldcs_ndcs_analysis_impact_2017.10.04.pdf) / <sup>7</sup> Kato, T and Ellis, J (2016) Communicating Progress in National and Global Adaptation to Climate Change. OECD, Paris. / <sup>8</sup> Abeyasinghe, A, Craft, B and Tenzing, J (2016) The Paris Agreement and the LDCs. IIED, London. <http://pubs.iied.org/10159IIED> / <sup>9</sup> van Aseelt, H, Weikmans, R, Roberts, JT and Abeyasinghe, A (2016) Transparency of Action and Support under the Paris Agreement. ECBI. / <sup>10</sup> van Aseelt, H, Weikmans, R, Roberts, JT and Abeyasinghe, A (2016) Transparency of Action and Support under the Paris Agreement. ECBI, page 20. / <sup>11</sup> Dagnet, Y and Levin, K (2017) Transparency (Article 13). In: Klein, D, Carazo, MP, Doelle, M, Bulmer, J and Higham, A (eds). *The Paris Agreement on Climate Change*. Oxford University Press.