

THE ENHANCED TRANSPARENCY FRAMEWORK IN PRACTICE:

Submission of the First Biennial Transparency Reports



Eda Kosma, Center for Climate and Energy Solutions

The Enhanced Transparency Framework—which provides guidelines for Parties on reporting their progress toward achieving the goals of the Paris Agreement—is due to become fully operational in 2024 in line with Article 13 of the Paris Agreement. Under the framework, all Parties shall submit their first biennial transparency report (BTR) by December 31, 2024, at the latest, except small island developing states (SIDS) and least developed countries (LDCs), which may report at their discretion. Other developing country Parties must submit transparency reports but may exercise flexibility provisions on the data submitted.

The Enhanced Transparency Framework is crucial to the climate regime. BTRs will play a vital role in the five-year ambition cycle of the Paris Agreement, representing a shift toward implementation and providing Parties context as they develop their new nationally determined contributions (NDCs) and eventually feed into the second global stocktake (GST).

Several barriers may create challenges as Parties finalize their BTRs, including due to the UN Framework Convention on Climate Change (UNFCCC) Secretariat not releasing key reporting tools until late 2024, and capacity issues as many developing country Parties prepare climate transparency reports for the first time.

OVERVIEW

The goal of the Enhanced Transparency Framework is to “build mutual trust and confidence and to promote effective implementation.” Article 13 of the Paris Agreement establishes an Enhanced Transparency Framework for all Parties and sets out the information to be provided. In summary:¹

- Each Party shall regularly provide (i) a national inventory report (NIR) of anthropogenic emissions sources and removals by sinks of greenhouse gases, prepared using agreed IPCC methodologies; and (ii) information necessary to track progress made in implementing and achieving its nationally determined contribution.
- Each Party should provide adaptation-related information.
- Developed country Parties shall, and other Parties that provide support should, provide information on financial, technology transfer, and capacity-building support provided to developing country Parties.
- Developing country Parties should provide information on financial, technology transfer, and capacity-building support needed and received.

Questions for consideration

- Are Parties on track to submit biennial transparency reports to the UNFCCC in line with the December 31, 2024, deadline?
- What reporting barriers are Parties facing and how might they overcome these barriers?
- How could the expert and multilateral review process following BTR submission be improved and developed into a capacity-building opportunity?

At the 24th Conference of Parties (COP24), the Conference of Parties serving as the Meeting of Parties to the Paris Agreement (CMA) adopted a detailed set of modalities, procedures, and guidelines (MPGs) to operationalize transparency arrangements and establish the methodologies to be used by Parties in their reporting and review under the Enhanced Transparency Framework.²

Parties shall submit their first BTR by December 31, 2024, though SIDS and LDCs may submit information at their discretion.³ Despite this deadline, the UNFCCC Secretariat has encouraged Parties to submit their BTRs as early as possible in 2024. Given the limited time (and end-of-year celebrations) between the expected closure of COP29 on November 24 and the BTR deadline on December 31, Parties are unlikely to find time to complete BTR requirements following the COP. The COP29 Presidency could usefully highlight the criticality of the Enhanced Transparency Framework by encouraging Parties to submit early and celebrating those Parties that have submitted BTRs in advance of the COP.

The MPGs provide further details on reporting requirements and review mechanisms:

- **Reporting:** Every two years, Parties shall submit a BTR, which shall include a structured summary that contains information to track progress towards NDC implementation. They shall also submit a NIR, which may be included in the BTR or submitted as a stand-alone report.⁴
- **Review:** Following submission, Party BTRs (including the NIR and structured summary) will undergo a technical expert review (TER). Additionally, Parties that have submitted BTRs will participate in a facilitative, multilateral consideration of progress (FMCP), which considers a country's implementation and achieving of its NDC and, if applicable, financial support to developing countries. LDCs and SIDs may choose to participate in the TER and FMCP processes individually or as groups.

At COP28, Parties agreed on arrangements regarding the provision of financial and technical support to developing country Parties for reporting and capacity-building. Parties underscored the important role of the Global Environment Facility (GEF) to provide adequate and timely support to developing country Parties to implement the Enhanced Transparency Framework. They also

requested the Secretariat to organize several workshops ahead of June 2024, highlighting BTR preparation support that is available to developing country Parties.⁵

Parties have requested that the Subsidiary Body for Scientific and Technological Advice (SBSTA) undertake the first review and update of the MPGs no later than 2028.⁶ As Parties engage in reporting, lessons learned could usefully be compiled and provided for inclusion in this process.

CHALLENGES

REPORTING TOOLS

As of June 30, 2024, the UNFCCC Secretariat published three reporting tools for Parties to compile and submit consistent data on greenhouse gas inventories; NDC progress; and financial, technology development, and transfer and capacity-building support provided and mobilized. The successful adoption of these reporting tools represents a major technical barrier.

This means Parties will have less than six months in which to train on and operate the final product. However, the information required for the Enhanced Transparency Framework is already known as are the flexibilities that can be applied. If Parties have not started to collect data, they should do so now. Furthermore, Parties have had an opportunity to familiarize themselves with earlier versions of the tools through trainings and sessions for Party feedback provided at regional climate weeks and COP28 in 2023.⁷ Further sessions occurred during the 60th Subsidiary Bodies Meeting (SB60). As such, the release of the final version of the tools should not result in the delay of submission of BTRs.

CAPACITY

The first BTR represents the inaugural climate transparency report for many developing country Parties. First-time reporters may be challenged by institutional capacity, data collection and availability, and the expense of arranging domestic measurement, reporting, and verification (MRV) systems.

In light of their capacities, developing country Parties may choose to exercise flexibility in their reporting, “including in the scope, frequency and level of detail of

reporting, and in the scope of the review,” underscoring the iterative nature of the climate transparency process. Further, developing country Parties may self-determine what flexibility provisions to exercise; however, they “shall clearly indicate the provision to which flexibility is applied, concisely clarify capacity constraints [...], and provide self-determined estimated time frames for improvements.”⁸

Parties decided to establish a Capacity-building Initiative for Transparency (CBIT) through the GEF to provide capacity building resources for all developing country Parties according to national priorities.⁹ GEF reports state that 87 countries have applied for CBIT funding as of November 2023, leaving as many as 65 countries, including SIDS and LDCs, that have not yet sought assistance.¹⁰

Developing country Parties have noted that the application process for CBIT funding is challenging and laborious.¹¹ Though the GEF has taken steps to streamline applications, further guidance to move from project-based financing towards a system of dedicated, long-term support could boost developing country Party transparency capacity.

DIVERGENCE IN REPORTING OF TRANSPARENCY OF SUPPORT PROVIDED AND RECEIVED

Parties continue to lack a clear definition of climate finance with regards to mandated reporting on financial support provided and received, leaving room for possible disparity in climate finance reports and tracking progress towards broader finance goals.

Parties have requested the Standing Committee on Finance (SCF) continue its work on definitions of climate finance, with the latest report noting an absence of consensus among Parties on whether a common definition of finance was considered necessary.¹²

BENEFITS OF REPORTING

The Enhanced Transparency Framework and BTR submissions are crucial elements of the climate regime, helping to instill trust, confidence, and accountability between Parties as they not only fulfill obligations under the Paris Agreement but also build awareness about the broader progress of climate action.

With the conclusion of the first GST, the Enhanced Transparency Framework is a critical step in the five-year ambition cycle of the Paris Agreement, representing a greater shift towards implementation.

After Parties have submitted their reports, the TER and FCMP review processes are meant to be facilitative, non-intrusive, and non-punitive,¹³ providing an opportunity to contribute to the capacity-building of all Parties involved as a result of a learning-by-doing process. Developing country Parties have reported finding the TER process to be constructive and informational.

As Parties improve their domestic MRV capacities, they in turn improve estimates regarding their climate action, including key data needed for NDC development. The first set of BTRs will serve as important indicators of progress towards each Party’s NDC and could positively impact the ambition represented in new NDCs presented in 2025.

C2ES Resources

Enhanced Transparency Framework Goes Live in 2024

<https://www.c2es.org/2024/01/enhanced-transparency-framework-goes-live-in-2024/>

Transparency of Action: Issues for COP26

<https://www.c2es.org/document/transparency-of-action-issues-for-cop-26/>

ENDNOTES

- 1 United Nations Framework Convention on Climate Change [hereinafter UNFCCC], Paris Agreement, (December 12, 2015), https://unfccc.int/sites/default/files/english_paris_agreement.pdf.
- 2 UNFCCC, Modalities, Procedures and Guidelines for transparency framework for action and support referred to in Article 13 of the Paris Agreement, Decision 18/CMA.1, FCCC/PA/CMA/2018/3/add.2, https://unfccc.int/sites/default/files/resource/CMA2018_03a02E.pdf#page=18.
- 3 UNFCCC, Modalities, Procedures and Guidelines for transparency framework, Decision 18/CMA.1, ¶3-4.
- 4 UNFCCC, Modalities, Procedures and Guidelines for transparency framework, Decision 18/CMA.1, Annex, ¶77.
- 5 UNFCCC, Provision of financial and technical support to developing country Parties for reporting and capacity-building, Decision 18/CMA.5, FCCC/PA/CMA/2023/L.2, (December 9, 2023), https://unfccc.int/sites/default/files/resource/cma2023_L02E.pdf.
- 6 UNFCCC, Provision of financial and technical support to developing country Parties, Decision 18/CMA.5, ¶2.
- 7 UNFCCC, Presentation for SBSTA 59 - mandated event on ETF tools, (December 2023), <https://unfccc.int/documents/634722>.
- 8 UNFCCC, Modalities, Procedures and Guidelines for transparency framework, Decision 18/CMA.1, ¶5-6, https://unfccc.int/sites/default/files/resource/CMA2018_03a02E.pdf
- 9 UNFCCC, Adoption of the Paris Agreement, Decision 1/CP.21, FCCC, CP/2015/10/Add.1, ¶84, <https://unfccc.int/resource/docs/2015/cop21/eng/10a01.pdf>.
- 10 Global Environment Facility (GEF), “65th Council Meeting,” GEF/c.65/06, (October 10, 2023), https://www.thegef.org/sites/default/files/documents/2023-09/EN_GEF.C.65.05_Relations_Conventions_Other_International_Institutions.pdf.
- 11 UNFCCC, “CGE Stocktake Report 2023,” (August 14, 2023). <https://unfccc.int/sites/default/files/resource/-CGE%20Stocktake%20Survey%20Report%202023.pdf>.
- 12 UNFCCC, Report on clustering types of climate finance definitions in use, UNFCCC Standing Committee on Finance (SCF), (November 2023), https://unfccc.int/sites/default/files/resource/Definitions_final_231117%20BLS23393%20UCC%20Climate%20Finance.pdf.
- 13 UNFCCC, “Modalities, Procedures and Guidelines for transparency framework,” Decision 18/CMA.1, Annex, ¶148.



The Center for Climate and Energy Solutions (C2ES) is an independent, nonpartisan, nonprofit organization working to secure a safe and stable climate by accelerating the global transition to net-zero greenhouse gas emissions and a thriving, just, and resilient economy.