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Transparency in the future climate agreement: some lessons learned so far

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While the success of the Paris agreement will depend on many factors, one undoubtedly important element will be that countries reach an agreement on a robust and fair ‘transparency of implementation’ system. Indeed, having a process that keeps countries accountable in the international sphere on the Nationally Determined Contributions they inscribe in the agreement is crucial for building trust among countries that their neighbors are serious about following through on their word. In this way, transparency is also a key enabler for progressively raising ambition throughout the climate regime.

Many options have been included in the draft agreement text currently being negotiated at Geneva this week, but no consensus has emerged so far and the shape of the future transparency system remains unclear. The main points of

debate deal with whether there should be only one transparency system or different ones, depending on countries' differentiation, but also the scope of such a system (does it only cover mitigation, or also adaptation and finance?), its frequency, which body would undertake it, and what are to be its guiding principles.

Yet countries are far from having to start from scratch. On mitigation, they can build upon the transparency system currently in place under the convention, which was established in 2011, and came into practice in 2014.

This current transparency system is composed of two parallel, yet qualitatively distinct, reporting and review processes for developed and developing countries. Developed countries report (in 'Biennial Reports') on their progress toward their economy wide emissions targets, while developing countries provide information (in 'Biennial Update Reports') on the implementation of mitigation actions.

These reports are then reviewed in a two-part process, known as the 'International Assessment and Review' (IAR) for developed countries, and the 'International Consultation and Analysis' (ICA) for developing countries. The first part is a technical examination led by a group of experts, and the second a 'peer-to-peer' exchange between countries, composed of an online Q&A, followed by an in-person plenary session between countries. The outputs of the review system are a technical report of the first part, and a summary report of the second part.

Although this current system is relatively new (and notably, the ICA process is only due to start in 2016), we can already draw a number of lessons from it that can help modify the system under the Paris agreement.

One very positive element of the current transparency system is that it has increased the frequency and periodicity of information generated by all countries. Furthermore, Biennial Reports and Biennial Update Reports are the first reporting requirement under the Convention focused on countries' *progress* of mitigation implementation (in contrast with National Communications,' which are exhaustive reports on national context, policies, and National Emissions Inventories).

On the review side, one positive element is how the technical examination conducted of Biennial Reports has included explicit observations on countries progress toward implementation. For example, in the case of Spain the expert team leading the examination observed that "none of the projections [...] reported in the Biennial Report indicate that Spain could reach the target described under the EU effort-sharing decision" To this Spain explained that it would thus increase its domestic action, and if this is insufficient to close its emissions gap, it would acquire carbon credits through the Kyoto Protocol's Clean Development Mechanism.

For the United States, the expert team noted that reaching the country's 2020 mitigation target, "is likely to be very difficult" if taking only into account existing measures up to 2012. President Obama's Climate Action Plan is projected to possibly fully address this gap. As a third example, the technical team noted that based on projections included in New Zealand's Biennial Report, the country's emissions are set to rise almost 30 percent above 1990 levels by 2020, even as its unconditional target was a 5 percent reduction. During the review New Zealand indicated that it intended to use international carbon credits to close this emissions gap.

As for the 'Multilateral Assessment'—the peer-to-peer exchange for developed countries launched in late 2014—it was much anticipated and welcomed by parties, and saw significant participation (e.g. the online Q&A session received over 250 questions).

Despite these positive elements, the current system also already betrays some weaknesses that should be improved upon under the new agreement. One critical weakness is the lack of clarity on the actual *purpose* the reports are to play. This is visible in the reports' heterogeneous length and focus, and in countries' confusion on the overlap with other reporting requirements. Some provided clear and more or less succinct information on the progress they are

making (and difficulties faced), while others seemed to hide their lack of satisfactory progress behind a laundry list of climate change policies with sometimes insignificant mitigation impacts.

One weakness of the review system is that despite generating good information throughout the process, it does not have the mandate to at its completion create an explicit opinion of where countries stand (e.g. recognizing good progress toward implementation of targets, or raising concerns of implementation to the COP).

These two weaknesses, among others, should be addressed in the transparency system under the Paris agreement. Countries will also have to see how they translate into the new transparency system the differentiation they agreed to in Lima regarding their Intended Nationally Determined Contributions (INDCs)—which are to reflect “the principle of common but differentiated responsibilities and respective capabilities, in light of national circumstances” ([see Michael Zammit-Cutayar's blog post for more information](#)). Concretely, this raises the question of how the currently bifurcated transparency system should evolve to ensure that all countries are accountable for the targets they themselves commit to, taking into account the diverse set of targets they will advance, as well as countries' differing capacities. This is one of the questions raised at the negotiations currently held in Geneva, some countries asking to introduce differentiation between countries in each and every element of the future transparency system.

Beyond mitigation, there is also rising political demand to increase the transparency of the other elements in the agreement. On adaptation, countries are calling for improved monitoring and evaluation of adaptation actions. This could be undertaken for example by the UNFCCC's Adaptation Committee, or by a new body, depending on how discussions between countries evolve. On finance, demands for transparency focus on continuously improving transparency of financial support provided and received, as well as gaining a greater clarity on the landscape of climate finance. Efforts to address this are currently underway, notably by the UNFCCC's Standing Committee on Finance, and should be strengthened under the new agreement.

If this seems like a daunting workload, it is—transparency is a very critical element and also a thorny one. However, in the Paris agreement, countries could only agree on the main principles that will shape the new transparency system—the technical details could be worked out in the following years up to 2020.