



# DESIGNING THE ENHANCED TRANSPARENCY FRAMEWORK, PART 2: REVIEW UNDER THE PARIS AGREEMENT

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## EXECUTIVE SUMMARY

### Highlights

- The review process is one of the key elements of the enhanced transparency framework under the Paris Agreement. It plays an essential role in helping countries fulfill their commitments: improving data over time, informing climate change policymaking at national and international levels, mobilizing and building capacity, and fostering cooperation.
- Many aspects of the existing review process have worked well, which provides strong foundations for the enhanced review system. However, the current regime also suffers from unclear guidance, inefficiencies, and delays, which could be exacerbated by the expected increase in the number and frequency of reviews. These shortcomings need to be addressed.
- The enhanced review process can be designed to facilitate a more robust regime and provide relevant and timely inputs for the mechanisms created to ramp up ambition, facilitate implementation, and promote compliance.
- The paper evaluates experiences from the past 20 years of review processes within and outside the UNFCCC and presents options for designing clearer, more sustainable, and cost-effective procedures and guidelines while providing flexibility for those developing countries that need it.
- The paper highlights which existing review procedures should be kept or adjusted and whether new elements and approaches should be considered.

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## The Negotiating Context

**Under the Paris Agreement, Parties have agreed to establish an enhanced transparency framework for action and support that will build on the existing transparency arrangements under the United Nations Framework Convention on Climate Change (UNFCCC).** The framework will play a critical role in building mutual trust among Parties and with their national stakeholders, promoting effective implementation, raising the quality of data over time, improving the clarity of climate change actions and support provided or received,<sup>1</sup> and bolstering confidence that actions are implemented fairly and at an adequate pace and scale.

**While building on the existing transparency system under the UNFCCC, the design of the enhanced transparency framework will provide a critically important opportunity to improve the effectiveness of the transparency regime.** This will include instituting effective approaches for an intensified reporting and review process, in particular for developing countries; building adequate capacity for those processes; being responsive to a more ambitious and inclusive transparency agenda that touches on a wider range of issues; and fostering improvement of data over time.

**The features of the enhanced transparency framework are outlined in the Paris Agreement and its accompanying decision 1/CP.21.** The framework is intended to

- provide flexibility to those developing country Parties that need it in the light of their capacities;
- be facilitative, nonintrusive, nonpunitive, and respectful of national sovereignty;
- avoid duplication and undue burden on Parties;
- build on and enhance the transparency arrangements under the UNFCCC;
- ensure that Parties maintain at least the frequency and quality of their current reporting;
- facilitate improved reporting and transparency over time;
- promote transparency, accuracy, completeness, consistency, and comparability (TACCC); and
- ensure double-counting is avoided and environmental integrity is preserved.

**The enhanced transparency framework of the Paris Agreement has two main components: reporting and review.** This paper focuses on the

review process, especially regarding information specified in Article 13, paragraphs 7–10, of the Paris Agreement on national greenhouse gas inventories, tracking of progress on nationally determined contributions (NDCs), adaptation, support provided and received.” With regard to reporting, this paper uses the term “biennial transparency report (BTR)” to differentiate the biennial reports called for under the Paris Agreement from the “biennial reports (BRs)” and “biennial update reports (BURs)” used under the UNFCCC’s current measurement, reporting, and verification (MRV) system.<sup>2</sup> For more information on reporting, please see the complementary paper *Designing the Enhanced Transparency Framework, Part 1: Reporting under the Paris Agreement*.<sup>3</sup>

**The review process fulfills specific purposes that contribute to facilitating transparency and advancing implementation,** including promoting a better understanding of climate change action and support addressed in countries’ reports and tracking progress toward achieving Parties’ individual achieving Parties’ individual NDCs. The review process itself provides an important means to mobilize and build capacity, particularly for developing countries. The review also can contribute to and support other components of the Paris Agreement, including the global stocktake (GST)<sup>4</sup> and the Article 15 committee on facilitating implementation and promoting compliance.

**Under the review process, Parties will undergo a technical expert review (TER) and participate in a facilitative, multilateral consideration of progress (FMCP).** The TER will be carried out by experts who will identify areas of improvement, review consistency with the guidelines to be developed under Article 13.13, and assist developing country Parties in identifying capacity-building needs (for those that need it). The FMCP considers a Party’s progress toward meeting its NDC and efforts under Article 9 of the Paris Agreement. However, the Paris Agreement does not fully detail the functions, outcomes, or relationship of these two core components of the review process.

**Parties are currently negotiating the detailed modalities, procedures, and guidelines (MPGs) that will provide guidance to Parties and govern the enhanced transparency framework, including the review process.** These negotiations which are part of the development of the whole set of implementing guidelines for the Paris Agreement are scheduled to conclude in December 2018.

## Objectives of the Paper

**In this paper, we aim to lay the groundwork for the design of a sustainable and effective review process under the Paris Agreement’s enhanced transparency framework.** We do so by examining the existing transparency arrangements under the UNFCCC and other relevant international regimes and identifying lessons learned from those arrangements. Based on the results of this exercise, we make suggestions concerning the MPGs for the enhanced transparency framework. Negotiators are not starting from scratch and can build on a wealth of experience to design a review process that is fit for purpose—that is, a review process that conforms to the aims identified in the Paris Agreement. By outlining lessons learned from the existing transparency regime (including from its shortfalls) and formulating suggestions for optimizing the design of the MPGs, this paper will enable negotiators to engage more productively within the limited time available and help them design a review process that fulfills the aims outlined in the Paris Agreement and its accompanying decision.

**We also identify opportunities for the review process to inform other elements of the Paris Agreement, in particular the GST (Article 14) and the mechanism to facilitate implementation and promote compliance (Article 15).** Even though not systematically defined in the Paris Agreement, these linkages between the transparency framework and other elements of the Agreement will be particularly important to ensure the overall coherence and functionality of

the Paris implementing guidelines.<sup>5</sup> The review process presents various capacity-building opportunities that will be crucial in supporting Parties in their transition to a more effective transparency and accountability regime.

## Suggestions for Enhancing the Review Process

**Based on the main lessons drawn from current review regimes, we identify ways to maximize the effectiveness of the new review process.** We examine the core elements of the review process in the enhanced transparency framework—namely the scope, modalities, and outputs from teams of expert reviewers, and the frequency and timing of review. Our suggestions are outlined in Table ES-1.

**Our analysis reveals a number of trade-offs that Parties will need to navigate as they strive to achieve the best outcome for each of these core elements.** For instance, the type of review that is the most thorough and offers the best opportunities to build capacity is also the most resource-intensive. Flexibility on the choice of the type of the review could be guided by some criteria to reduce the burden on the Secretariat and Parties, while ensuring they are the most appropriate to drive improvements in given circumstances. The scope of the review would have an impact on the composition of the TER team and its required competencies and training.

Enhanced human and financial resources for staffing the Secretariat, training, and running the review process

Table ES-1. | **Suggested Elements of the Modalities, Procedures, and Guidelines (MPGs) for the Review Process under the Enhanced Transparency Framework**

	TECHNICAL EXPERT REVIEW (TER)	FACILITATIVE, MULTILATERAL CONSIDERATION OF PROGRESS (FMCP)
Scope	<p><b>Widened scope upon request.</b> For its own review, a Party should be able to request that the scope of each technical review be widened to cover issues related to adaptation and means of implementation, bearing in mind the potential implications for the composition of the expert review teams.</p> <p>The scope of the review must be supported by appropriate methodological guidance.</p> <p>The first review undertaken under the Paris Agreement should pay particular attention to the way Parties intend to track progress, especially Parties using market mechanisms, to prevent double-counting and to preserve environmental integrity.</p> <p>More attention also should be given to the review of the achievement of the 2025 and 2030 NDC commitments (and every five years after that).</p>	<p><b>Widened scope upon request.</b> Similar approach to the one adopted for the TER. Although the focus would be on consideration of NDC implementation and achievement, and of efforts on finance, Parties could request that nonmandatory information be considered during the multilateral considerations.</p> <p>The scope of the first FMCP should pay particular attention to the way Parties intend to track progress toward their NDC.</p>

	TECHNICAL EXPERT REVIEW (TER)	FACILITATIVE, MULTILATERAL CONSIDERATION OF PROGRESS (FMCP)
Modalities	<p><b>Effective, targeted modalities.</b> Especially in light of the increased number of reviews for a broader set of countries, the type of TER should be targeted to ensure that the most effective approaches are used in specific country contexts. The type could be selected based on a number of criteria (e.g., the quality of their previous biennial transparency reports and outcome of the previous review, emissions threshold, level of financial resources available for each review cycle, type of NDC, etc.).</p> <p>Non-Party stakeholders' contribution to the process could be institutionalized.</p> <p>The confidentiality provisions under the current transparency arrangements should be maintained. TER teams also should be given clear guidance on when and how to correct inaccurate data.</p>	<p><b>Dynamic, inclusive process.</b> The FMCP can consist of two complementary phases: an interactive process using an online platform aimed at enhancing participation of country experts, practitioners, and non-Party stakeholders; and the organization of in-person workshops under the Subsidiary Body for Implementation (SBI), which would bring more high-level participation. In-person sessions could be mandatory for some countries, based on criteria and voluntary for others.</p> <p>The facilitative nature of the current processes should be maintained.</p> <p>Parties should be allowed to answer questions in a variety of formats and be provided with additional time, if needed, based on national circumstances.</p> <p>Questions from a range of participants should be encouraged (including non-Party stakeholders).</p>
TER team	<p><b>Building on strong foundations.</b> The Secretariat and lead reviewers could continue performing their existing roles. The team could be selected in a way that ensures it has the relevant competencies, respects geographical balance, and avoids conflict of interest, with additional attention paid to gender balance and participation of a wider range of stakeholders. Training and certification should be provided to reviewers to match the issues under review.</p> <p>The expertise and competence of the members of the TER team also would depend on the scope of the review (as requested by the country).</p> <p>The nomination of experts from nongovernmental organizations should be more strongly encouraged.</p>	n/a
Outputs	<p><b>Consistent, facilitative review reports.</b> TER reports that capture recommendations from the expert reviewers, based on TACCC principles, should be produced for all countries.</p> <p>The report could consist of the following:</p> <ul style="list-style-type: none"> <li>■ Review of the reporting requirements</li> <li>■ Technical assessment</li> <li>■ Recommendations, constructive feedback, and encouragements</li> <li>■ Conclusions</li> </ul> <p>TER reports should ensure consistency with the guidance on information to facilitate clarity, transparency, and understanding.</p>	<p><b>More comprehensive review database.</b> A database with all national and review reports should also include the summary reports for each Party for each round of review, as well as a summary of each FMCP session, together with the questions and answers (Q&amp;A).</p>

	TECHNICAL EXPERT REVIEW (TER)	FACILITATIVE, MULTILATERAL CONSIDERATION OF PROGRESS (FMCP)
Frequency/ timing	<p><b>Streamlined but timely review for timely inputs to the GST.</b> The expected intensification of the review requires the process be streamlined as practically as possible without losing sight of the purpose of the review.</p> <p>The frequency of resource-intensive types of reviews could be reduced according to the performance of Parties. The deadline for publishing the draft and final versions of the review report could be set to allow Parties to take the recommendations on board for their next report, have enough time for Q&amp;A, and be able to prepare for the FMCP. This should be done in a way that does not place undue burden on the UNFCCC Secretariat and reviewers. Final review reports should be available within 15 months of the submission of the BTR.</p> <p>Finally, the review process should be undertaken in a staggered manner within a period of 6 months (if the reporting itself also is staggered).</p>	<p><b>Timely, integrated process.</b> The timing of Q&amp;A from peer countries and observer organizations must be specified clearly. The FMCP does not need to begin following the completion of the TER. Rather, the two can be combined into a single process.</p>

Source: Authors.

must be considered. The review process is expected to intensify over time, as countries build their capacity and more of them submit their reports on time. Increased resources will be necessary for the transparency framework to be implemented effectively.

## 1. INTRODUCTION

### 1.1 Designing an Enhanced Transparency Framework

In 2015, Parties agreed to establish an enhanced transparency framework for action and support under the Paris Agreement, which will build on and enhance the existing transparency arrangements under the United Nations Framework Convention on Climate Change (UNFCCC). The enhanced transparency framework should consist of common modalities, procedures, and guidelines (MPGs), for developed and developing countries, as called upon in Article 13, paragraph 13 of the Paris Agreement and should allow flexibility for developing countries that need it in the light of their capacities.<sup>6</sup> This enhanced transparency framework involves two processes: reporting and review. Under the reporting process, Parties have the obligation to regularly report on the following:

- National inventories of anthropogenic emissions by sources and removals by sinks of greenhouse gases (GHG);
- Information necessary to track progress made in implementing and achieving their nationally determined contributions (NDCs) under Article 4; and

- Information on financial, technology transfer, and capacity-building support provided to developing country Parties (obligation applies only to developed country Parties).

In addition, the Agreement provides that Parties “should,” but are not obligated to, report on these:

- Information on financial, technology transfer, and capacity-building support needed and received by developing countries; and
- Information related to climate change impacts and adaptation.

Following the reporting process, and as part of the review process, Parties will undergo a technical expert review (TER) and participate in a facilitative, multilateral consideration of progress FMCP on the information provided.<sup>7</sup>

Figure 1 illustrates the reporting and review under the existing transparency system and the review under the Paris Agreement’s enhanced transparency framework. The endorsement and implementation of Article 13 hinges on the ability of the transparency framework to facilitate and build critically needed reporting capacity in developing countries.

The review of Parties’ implementation enables governments, international organizations, and other observers to track Parties’ efforts and performance in fulfilling their obligations and implementing the actions they committed to undertake. Such review processes also serve other important functions that promote the

Figure 1 | Review Processes under the Existing System and the Paris Agreement

		EXISTING UNFCCC SYSTEM		PARIS AGREEMENT	
		ANNEX I PARTIES	NON-ANNEX 1 PARTIES	DEVELOPED PARTIES	DEVELOPING PARTIES
REPORTING		Quadrennial national communications		Quadrennial national communications	
		Biennial reports	Biennial update reports	Biennial transparency reports	
		Annual national inventories		Annual national inventories	
REVIEW		Quadrennial in-depth review		Quadrennial technical review	
		Biennial international assessment and review technical review	Biennial international consultation and analysis technical review	Biennial technical review	
		Biennial international assessment and review multilateral review	Biennial international consultation and analysis facilitative sharing review	Biennial facilitative, multilateral consideration of progress	
		Annual review of national inventories		Annual review of national inventories	

Note: Solid-colored boxes indicate an explicit mandate in the Paris Agreement. Shaded boxes with dashed outlines indicate components that are expected to continue from current practice. Source: Authors.

effectiveness of the multilateral environmental regime.<sup>8</sup> These functions include

- promoting cooperation among Parties;
- building trust by making national actions more transparent;
- sharing best practices on reporting, associated institutional arrangements, collection use, and management of data;
- strengthening Parties' capacity for domestic policy design and consultation through the credibility, legitimacy, and information provided by the review; and
- building capacity and identifying the further capacity-building needs, particularly in relation to transparency, and mobilizing and providing assistance to address these needs.

More specifically, Article 13 of the Paris Agreement, and various paragraphs of its accompanying decision, already highlight a number of goals for the ways in which the review process should function. These goals

embody the critical roles that will be played by the review process (together with the reporting requirements): building mutual trust and confidence among key stakeholders, improving data over time, and stimulating further action.<sup>9</sup> Figure 2 illustrates the purposes of review under the Paris Agreement, established by decision 1/CP.21 and identified by the authors.

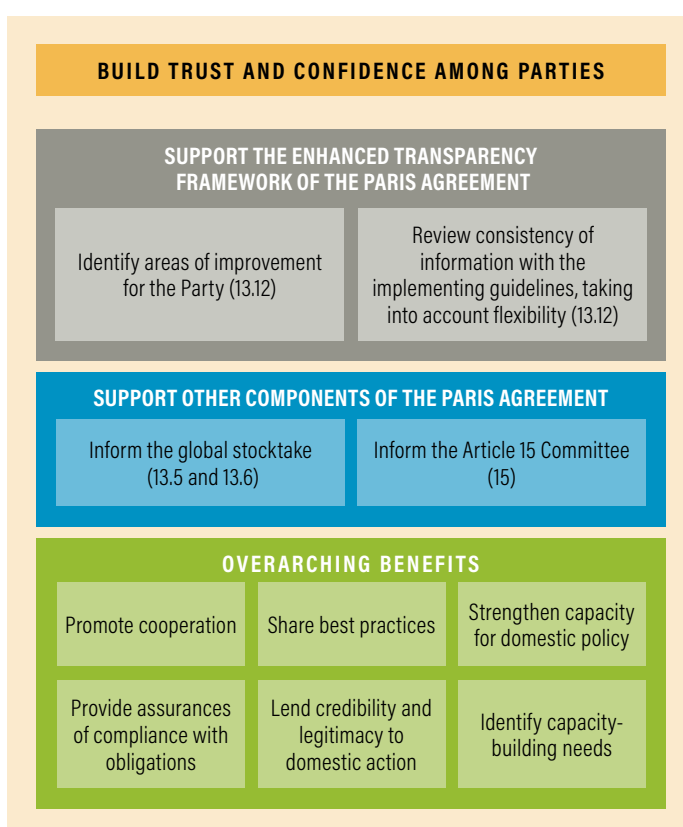
Negotiations concerning the technical modalities, procedures, and guidelines (MPGs), which will govern how the Paris Agreement's enhanced transparency framework, the TER, and the FMCP operate, are still ongoing as part of the development of the Paris Agreement's implementing guidelines. These implementing guidelines are set to be adopted at the 24th session of the Conference of the Parties (COP 24) to the UNFCCC, scheduled to take place in December 2018.<sup>10</sup>

However, the design of the review regime historically has been a politically sensitive topic. Parties have been reluctant to cede any of their national sovereignty and are concerned about the implications of the results of the reviews, including the possible obligation to fulfill

reporting requirements and the consequent demand for resources they may not have.<sup>11</sup> Meanwhile, issues concerning differentiation among countries remain salient. The Convention's principle of common but differentiated responsibilities and respective capabilities has strongly influenced the design of measurement, reporting, and verification (MRV) systems.<sup>12</sup> As such, under the current transparency regime, there are separate MRV systems for developed and developing countries.

The Paris Agreement recognizes that its implementation, including the transparency framework, will depend on Parties' capacities, which is emphasized through the capacity-building function of the technical review in Article 13, paragraphs 11 and 12.<sup>13</sup> This recognition is also why Parties launched the Capacity-Building Initiative for Transparency (CBIT).<sup>14</sup> The review process can provide a vehicle for identifying and addressing gaps Parties face in fulfilling their reporting requirements and their capacity-building needs. It also can help identify areas of improvement for the Party, provide recognition for the efforts made by developing countries, and mobilize the necessary assistance and/or capacity-building tools.<sup>15</sup>

Figure 2 | **Purpose and Functions of the Transparency Framework and Review Process under Article 13**



Source: Authors.

To make progress on the design of the review process, and ensure its MPGs are fit for purpose, negotiators will need to consider a series of issues, including

- how the review process can ensure improvement over time;
- how the review process under the Paris Agreement can build on and enhance existing arrangements and be effective and sustainable;
- how to provide flexibility for those developing countries that need it in the light of their capacities;
- how the review process can help identify double-counting and ensure environmental integrity; and
- how the review process can provide the relevant inputs to support the global stocktake (GST), and the mechanism under Article 15 to facilitate implementation and promote compliance, taking into account the interconnected nature of the provisions of the Paris Agreement even when these linkages are not explicitly made in the Agreement.

## 1.2 Structure and Objectives of This Paper

In this paper, in keeping with the mandate of decision 1/CP.21, we examine experiences with the existing transparency arrangements under the UNFCCC and the Kyoto Protocol and evaluate options for designing the core elements of the MPGs (see Box 1). These elements were highlighted in an informal note by the cofacilitators on the overall set of the implementing guidelines of the Paris Agreement and based on the informal consultations and negotiations on this issue held in May 2017.<sup>16</sup>

Following our assessment of past experience under the UNFCCC, we propose possible options for designing the MPGs of the transparency framework. To help assess and choose among these options, we have identified a set of guiding criteria, based mainly on Article 13 of the Paris Agreement and accompanying decision. These criteria include whether the option is fit for purpose (see Figure 2); meets the guiding benchmarks highlighted in paragraph 92 of the accompanying decision (see Figure 3); and addresses the lessons learned, both positive and negative, from the current system.

Our research and analysis is based on the following elements:

- Review of lessons learned from the existing arrangements under the UNFCCC—which the Paris Agreement itself asks Parties to take into account—and from other multilateral agreements (based mainly on a literature review);<sup>17</sup>

- 1. Scope of the TER and FMCP.** The scope of review is critically important in determining the range of issues that will be considered in the review, including whether and how it will go beyond addressing emissions information. Because the review aims to increase transparency to encourage enhanced implementation, addressing the appropriate range of issues can provide reassurances to Parties that appropriate action is being taken. The scope will generally be guided by the transparency framework defined in the Agreement, as well as by the information included in the report subject to the review. A balance must be struck between leveraging the potential capacity-building and knowledge-sharing benefits of the review process and providing relevant inputs for the GST on the one hand and avoiding undue burden on Parties or the Secretariat on the other.
- 2. Modalities and procedures used to carry out the TER and the FMCP.** The modalities of the TER specify the process through which the review is carried out. The choice of modalities, particularly how intensive a review will be, has consequences for the benefits the review can provide, including the capacity-building opportunities offered through the review process and the potential to create platforms that will enable Parties to exchange information and lessons learned. The modalities chosen also can affect human resource and financial needs; the sustainability of the review process and the burden placed on the UNFCCC Secretariat, TER teams, and Parties; comparability and consistency across reviews; and the level of transparency and inclusiveness of the process itself.
- 3. Composition, role, and responsibilities of the TER team.** The composition of the team carrying out the TER, including the role of the Secretariat and of possible lead reviewers, and the criteria used for selecting the experts, has consequences for the robustness of the review, the degree of credibility of the review process, and the review's ability to facilitate improved reporting over time. It also can affect the burden placed on the Secretariat, as well as have other various capacity-building and financial implications.
- 4. Outputs of the TER and FMCP.** The outputs are the tangible outcomes from both the TER and FMCP that include the result of the evaluation by the TER team and provide information concerning the gaps, lessons learned, and best practices highlighted during the individual country review or multilateral consideration process. The outputs therefore play a key role in sharing information, holding countries accountable, informing the preparation of the next round of reports, and spurring improvement over time. The outputs from the review process should respect the facilitative nature of the review and take into account any flexibility afforded to developing countries that need it in the light of their capacities. The availability of the outputs to non-Party stakeholders is also key to the transparency of the process itself.
- 5. Frequency and timing of the TER and FMCP.** The frequency of review determines how often Parties' reports are reviewed by a team of experts and how often progress of individual Parties is considered by peers in a multilateral setting. With more Parties expected to submit reports more regularly over time, the frequency and timing of the review process affect the ability to improve transparency and facilitate implementation. It also affects the burden placed on Parties, the Secretariat, and reviewers, as well as the capacity-building and other benefits that can be leveraged by the TER and FMCP process. The overall timeline also affects the extent to which a Party has time to take on board the recommendations of the expert team in its subsequent transparency report and thus its ability to improve reporting over time.

- Analysis of country submissions to the UNFCCC regarding the transparency framework; and
- Experience gained by most of the authors of this paper in the course of their work as negotiators on transparency, as members of expert review teams within the UNFCCC process, or as reporters or lead researchers on these issues.

Chapter 2 identifies relevant lessons learned from the experience under the Convention and the Kyoto Protocol in relation to the TER. Based on these lessons, it then formulates suggestions for the TER under the Paris Agreement. Chapter 3 identifies lessons learned from the multilateral assessment (MA) and the facilitative sharing of views (FSV) under the current regime and then formulates suggestions for the facilitative, multilateral consideration of progress (FMCP) under the Paris regime.

## 2. LESSONS LEARNED AND SUGGESTIONS FOR DESIGNING THE TER

Article 13, paragraph 11, of the Paris Agreement provides that “information submitted by each Party under paragraphs 7 and 9 of this Article shall undergo a technical expert review, in accordance with decision 1/CP.21.” This chapter examines experiences with the technical review and analysis under the Convention and the Kyoto Protocol, identifies good practices that could be replicated, and highlights areas that are in need of improvement. It proposes suggestions to guide development of the MPGs for the TER under the Paris Agreement. This approach is applied to all the core elements of the TER, namely, the scope of information reviewed, the modalities used, the composition of the technical expert team, their roles and responsibilities, the outputs of the TER, and its frequency and timing.



Figure 3 | Criteria Used to Assess Review Approaches

<b>BE FIT FOR PURPOSE</b>	Support the transparency framework (Article 13)	
	Support other relevant processes under the Paris Agreement (global stocktake and Article 15 committee)	
	Support additional purposes of reporting information*	
<b>UPHOLD THE GUIDING PRINCIPLES</b>	Be facilitative, nonintrusive, nonpunitive in manner, respectful of national sovereignty, and avoid placing undue burden on Parties (Art. 13.3)	Avoid duplication as well as undue burden on Parties and Secretariat (para 92d)
	Facilitate improved reporting and transparency over time (para 92a)	Ensure Parties maintain at least frequency and quality of reporting, in accordance with respective obligations (para 92e)
	Provide flexibility to those developing country Parties that need it in the light of their capacities (Art. 13.2 & para 92b)	Ensure double-counting is avoided (para 92f)
	Promote transparency, accuracy, completeness, consistency, and comparability (para 92c)	Ensure environmental integrity (para 92g)
<b>ADDRESS CHALLENGES, LESSONS, AND NEEDS</b>	Build on and enhance the transparency arrangements under the Convention	

## 2.1 Scope of the TER

### 2.1.1 Key Lessons from the Existing Review Systems

**In-depth technical reviews so far have focused mainly on mitigation-related information. But the broad scope of the review process for developed countries provides the opportunity for capacity-building and information-sharing benefits on a range of issues.**

The bulk of experience under the UNFCCC has been gained in reviewing information related to developed country Parties' GHG emissions and removals as part of the annual in-depth technical reviews of GHG inventories and also information related to mitigation policies and measures through technical reviews of National Communications (NCs) and biennial reports (BRs) and technical analysis of biennial update reports (BURs). This has resulted in significant improvement in the reporting of the GHG inventory data within developed countries over the past 20 years.

Existing transparency arrangements also cover other types of information. For instance, as part of the technical review of NCs of Annex I Parties, technical experts examine information (although less in depth) related to vulnerability assessments, climate change impacts, and adaptation measures; financial resources; technology transfers; research and systematic observations; and education, training, and public awareness.<sup>18</sup> In the

review of Annex I NCs and BRs, information on financial, technological, and capacity-building support also is reviewed.<sup>19</sup> In addition, the technical reviews under the Kyoto Protocol consider measures taken by Parties to minimize adverse social, environmental, and economic impacts of response measures on developing country Parties.<sup>20</sup>

**Although existing reviews cover a range of issues, reviewers face challenges in reviewing non-mitigation-related information because it has been included in the review process only relatively recently.<sup>21</sup>**

For example, information on support or adaptation is raising new challenges in the review process, which, if not addressed properly, could hinder the comparability and consistency of the reviews. Challenges include differentiating among financial, technological, and capacity-building support; identifying the share of climate finance in overall development aid;<sup>22</sup> using different operational definitions of "climate finance"; and identifying how much private finance is leveraged.<sup>23</sup> In addition, there is a lack of review guidance for interpreting key terms,<sup>24</sup> even though guidance on tracking and reporting is slowly being built by the Subsidiary Body for Scientific and Technological Advice (SBTSA).

Regarding the review of adaptation, part of the challenge lies in the fact that many countries have

not identified their adaptation needs in communications to the UNFCCC (in terms of actions and/or support) or what would constitute effectiveness of such action. For countries that have identified needs for adaptation support, this has been done using varying metrics and often not in a transparent manner.<sup>25</sup> It therefore will be extremely challenging to quantitatively assess the adequacy and effectiveness of adaptation support.<sup>26</sup>

Reviews of information related to adaptation, support, policies and measures, and projections have been limited to aspects of completeness against the reporting requirement and transparency of the information provided.

The lack of internationally agreed-upon common methodologies for assessing vulnerability or the impacts of climate change, quantifying impacts of policies and measures, preparing GHG projections, or reporting finance provided to developing countries has limited the review to assessment of the completeness of the information and its transparency (based on the requirements under the reporting guidelines).

**The Kyoto Protocol has created a robust system of accounting and tracking progress in achieving economy-wide GHG emissions targets. However, this system will need to be significantly adapted to the new regime given the more diverse set of contributions allowed under the Paris Agreement.**

Reviewers have gained experience with tracking progress toward developed countries' targets under the Convention and the Kyoto Protocol, based on the agreed-upon GHG emissions accounting system. This experience has helped provide a clearer understanding on climate change action and should be considered in implementing the Paris Agreement, while acknowledging that this process will be more complex under the new regime because of the diversity of commitments. This complexity could hinder the comparability and accuracy of the assessments and aggregation of efforts. Any efforts to develop such international tracking and accounting methodologies should build on ongoing work and collaboration with the Intergovernmental Panel on Climate Change (IPCC), relevant UNFCCC bodies, and international and other observer organizations.<sup>27</sup>

### 2.1.2 Options and Suggestions for the Paris Transparency Framework

In accordance with Article 13, paragraph 11, of the Paris Agreement, only the information referred to in Article 13, paragraphs 7 and 9, is required to be subject to TER. This means that review is not mandatory for all

information reported. Figure 4 illustrates the information categories that are subject to the TER and those for which review is optional.

Expanding the scope of the TER could have implications for costs, burden on the Secretariat, availability of experts, and the composition of the teams of experts, but limiting the scope of the reporting and review to only the mandatory elements is likely to hinder the aggregation of information for the purpose of the GST and weaken the principle of comparability. The benefits of the review exercise should be taken into account, including the likely improvement of subsequent reporting in voluntary areas (e.g., adaptation and support received). Review also contributes to sharing of best practices, which could inform the mechanisms under Articles 1 and 15, the Paris Committee on Capacity-building (PCCB), and the CBIT. The review process also could result in better data and therefore better inputs to all areas relevant for the GST (including on adaptation and support received).

**Expand the scope of the TER to other reported information only if requested by a Party.** In spite of the constraints described above, given the relevance

Figure 4 | **Required and Optional Information Subject to Technical Expert Review (TER)**

REPORTED INFORMATION	TECHNICAL EXPERT REVIEW
National inventory report of anthropogenic emissions by sources and removals by sinks of greenhouse gases (Article 13, paragraph 7a)	✓
Information necessary to track progress made in implementing and achieving NDCs (Article 13, paragraph 7b)	✓
Information related to climate change impacts and adaptation under Article 7 (Article 13, paragraph 8)	?
Information on financial, technology transfer, and capacity-building support provided to developing country Parties (Article 13, paragraph 9)	✓
Information on financial, technology transfer, and capacity-building support needed and received (Article 13, paragraph 10)	?

Note: Check marks indicate information subject to review, at a minimum, under the Paris Agreement. Question marks indicate information that Parties could request to be reviewed. Source: Authors.

to the GST and the benefits from the capacity-building objectives of the technical review, Parties may consider voluntarily requesting a review of information not mandatorily subject to review. For example, Parties should be allowed to request that information related to climate change impacts and adaptation and information on financial, technology transfer, and capacity-building support needed and received be subject to review, following the relevant applicable procedures. However, in view of the constraints discussed above, the review of this additional information could be less intensive than that of the information mandatorily subject to review. In addition, the guidance could instruct the review team on priorities and focus the review on only the most important or relevant information.

**Develop appropriate methodological guidance for voluntary use to facilitate effective reporting and review of key reporting areas.**

Methodological guidance could be developed for vulnerability and impact assessment, the quantification of impacts of policies and measures, the preparation of GHG projections, and the reporting of finance provided to and received by developing countries. Voluntary guidance describing methodologies and good practice could provide reviewers with a reference that would enable them to assess countries' efforts in a more comparable and consistent manner, for those countries that decided to apply such guidance. The development of this methodological guidance would not start from scratch but build on existing negotiation under SBTSA (i.e., guidance for financial support provided and mobilized), existent mitigation methodologies (e.g., Clean Development Mechanism), National Adaptation Plans (NAPs), and National Adaptation Programme of Action (NAPA) guidelines.

**The scope of the first TER should pay particular attention to information necessary to track progress made in implementing and achieving NDCs.**

An in-depth review of the accounting methodologies and other information relevant to the clarity and transparency of NDCs in the first review of each NDC cycle would help make the assessment of progress more robust in subsequent reviews in the same NDC cycle. This will be particularly important for parties using market mechanisms and for taking into account the role of land use and forestry to avoid double-counting and to preserve environmental integrity. Because the experience with tracking progress under the Kyoto Protocol focused on a narrower range of mitigation goals than are included in NDCs, the previous experiences and lessons will need to be adjusted to fit the new review process. This means that guidance to reviewers will need to align with the accounting

guidance that must be developed under Article 4, paragraph 13, and Article 6.

**Particular attention also should be paid to reviews undertaken following NDC achievement periods.**

The target years for NDC achievement periods are 2020 (Cancun pledges), 2025 (for those countries with a 2025 target), 2030, and every 5 to 10 years afterward. With the scope of reviews including information to track progress on NDCs, the review covering trends through the targeted year also will play an important role in driving ambition and improving data over time.

## 2.2 Modalities of the TER

### 2.2.1 Key Lessons from the Existing Review Systems

Under existing review arrangements, three formats have been introduced: desk reviews, where experts review the information at their office; centralized reviews, where experts meet in a single location to review the information of various countries; and in-country reviews, where experts visit the country under review and engage with policymakers and other relevant national stakeholders.

**The current arrangements make extensive use of review formats that require considerable financial and human resources. This has helped build capacity in the country reviewed, but it has strained the resources available.**

Thus far, desk reviews have been used only for the review of Annex I national inventories. Because expert reviewers do not have to travel to perform these reviews, they can be the most cost- and labor-efficient. They may however face lower turnaround times due to reviewers' competing obligations. Compared to desk reviews, centralized reviews are relatively labor-intensive, as they require experts to travel to a central location, usually the UNFCCC premises in Bonn, Germany, and review multiple Parties.<sup>28</sup> Centralized reviews are used for national inventories, Annex I BRs, and non-Annex I BURs.

Centralized reviews also can be used for the NCs of some developed country Parties with low emission levels (less than 50 million metric tons carbon dioxide equivalent, excluding land use, land-use change, and forestry [LULUCF]).<sup>29</sup> In addition, in the first round of international assessment and review (IAR), several smaller non-Annex II Parties (e.g., Cyprus, Liechtenstein, Malta)<sup>30</sup> underwent a centralized review rather than an in-country review. The use of such a threshold allows for a more efficient use of resources.

In a modified centralized review, through international consultation and analysis (ICA), Least Developed Countries (LDCs) and Small Island Developing States (SIDS) can elect to be reviewed centrally as a group rather than individually.<sup>31</sup> This modality has the benefit of reviewing various countries at reduced costs and resources. It also can enhance the sharing of both information and lessons. On the other hand, the consideration of circumstances of each Party in the group will be less in-depth. Consequently, it may offer fewer opportunities for Parties in the group to receive individualized and targeted feedback and advice from expert reviewers. The option has not been used in practice so far.

However, experience with group reviews has been gained outside of the UNFCCC context. The World Trade Organization's (WTO's) Trade Policy Review Mechanism (TPRM) allows for group reviews and has carried out such reviews in practice. Interestingly, the groupings are not limited to existing groupings but can be ad hoc groupings of smaller countries. Smaller countries can decide for themselves whether a group review is appropriate.<sup>32</sup>

In-country reviews are the most resource-intensive type of review.<sup>33</sup> Nonetheless, they have been used extensively for developed country Parties. In-country reviews may be used for national inventory reviews but are mandated for every Annex I NC (and BRs when the two are submitted together).<sup>34</sup>

In-country reviews are used in other review processes. International Monetary Fund (IMF) staff visits (or "missions") are usually two-week visits by small teams (four to six members) involving meetings with policymakers, businesses, and civil society, with a goal of uncovering the views on the policy issues under review. Likewise, some of the reviews by the Organisation for Economic Co-operation and Development (OECD)—including the Environmental Performance Review—also include information-gathering missions to the country under review.<sup>35</sup>

The difference in cost between the centralized and in-country reviews is not significant. Travel costs for centralized reviews may be lower because reviewers can participate in the review of more than one Party during their time in Bonn. From the Party side, in-country reviews require time (and cost) for the national experts to participate in the discussions with the expert review team. The cost associated with the review tools and organization of the review remains constant for both centralized and in-country reviews. The three main review formats are explored in more detail in Appendix B.

### **Participation from nongovernmental experts during in-country reviews has proved a complementary source of information for reviewers.**

Nongovernmental organizations (NGOs) often are invited to meet the review teams during in-country reviews of NCs. This is not mandatory for the Party to do, but it is encouraged. In practice, however, expert reviewers often have engaged with nongovernmental experts during in-country visits for developed countries' NCs or BRs as a way of gathering the necessary information.<sup>36</sup> Inputs from non-Party stakeholders also are considered in other multilateral processes dealing with sensitive issue areas. For example, the Universal Periodic Review (UPR) performed by the United Nations (UN) Human Rights Council (HRC) can consider the "credible and reliable" input from "other relevant stakeholders"—including NGOs.<sup>37</sup> Likewise, Secretariat reports for the WTO's TPRM can draw on information other than that provided by the Member under review, such as information from the World Bank, IMF, and other international organizations.<sup>38</sup> IMF staff, in turn, in carrying out IMF's bilateral surveillance, are instructed to "routinely request meetings with political leaders, trade unions, business representatives and civil society organizations (CSOs)."<sup>39</sup> However, it should be noted that relying on non-Party information may result in an additional step of assessing the credibility and reliability of the various types of information.

### **Other existing procedural guidelines have proved very helpful to strengthening the collection and quality of the data over time, which should be taken into account:**

- **Allowing expert reviewers to quantify any problems encountered in the reported information, and to suggest corrections, has helped improve the accuracy of the data.** The concept of adjustments used under the Kyoto Protocol, which allowed for the identification, quantification, and correction of any problems encountered in the reported information in relation to the emissions/removals estimations, could be considered and included in the MPGs. This review experience could be useful to improve the accuracy of the information reported and to track progress more accurately for those Parties with quantified targets, in particular taking into account the need for the GST to have access to aggregated accurate data on progress toward achieving the global goal of the Paris Agreement.

■ **Guidance on the treatment of confidential information has proved very useful for the collection and sharing of data perceived sensitive by their suppliers.**<sup>40</sup> Guidance on the use of confidential information by expert review teams for Annex I countries' review of their national inventory was important to facilitate the collection and sharing of certain data perceived as sensitive.<sup>41</sup> Such guidance is available in the review guidelines for reviews of Annex I national inventories, NCs, and BRs.<sup>42</sup> In addition, by decision 12/CP.9, Parties adopted a code of practice for the treatment of confidential information in the technical review of GHG inventories from Annex I Parties. In 2004, the Secretariat developed, and has since been applying, procedures to implement the code of practice. These procedures cover submission, processing, and handling by the Secretariat of any information designated as confidential by an Annex I Party and the granting of access of this information to reviewers.<sup>43</sup>

## 2.2.2 Options and Suggestions for the Paris Transparency Framework

Under the Paris regime, taking into account the biennial reporting cycle and assuming reviews continue to be conducted after each report, Parties will be expected to undergo a technical review every two years,<sup>44</sup> with more discretion for LDCs and SIDS. In light of the increased frequency of these technical reviews and their associated

costs, Parties must consider review formats that make the most efficient use of resources.

**Parties should use established criteria to select the most appropriate review format.** These criteria could include

- quality of previous biennial transparency reports (BTRs) and issues raised during the former TER;
- an emissions threshold or other non-mitigation-related threshold;
- type of NDCs;<sup>45</sup>
- level of financial resources available for each review cycle; and
- availability of reviewers.

For example, countries that have consistently produced high-quality information might require only a desk-based review. More intensive in-country reviews might be warranted in cases where previous reports have not demonstrated the quality required by the TER. The recommendation made by the TER team also would need to be the result of a consultation with the country being reviewed.

**Centralized reviews could be used as the default modality, with desk-based and in-country reviews used when potential benefits are clearly identified, upon recommendation of a TER team or request by a Party.**

Table 1 | **Benefits to Be Considered When Selecting Review Formats**

REVIEW FORMAT	BENEFITS
Centralized	<ul style="list-style-type: none"> <li>■ Improves consistency of reviews across Parties because expert teams review more than one Party</li> <li>■ Useful for regional/group reviews where simultaneous review of countries with similar circumstances could enable the sharing of lessons learned and good practices</li> </ul>
Desk-based	<ul style="list-style-type: none"> <li>■ Less resource-intensive and may be suitable for                             <ul style="list-style-type: none"> <li>□ following an in-country review;</li> <li>□ Parties with low emission levels; and</li> <li>□ reviewing voluntary information following a Party's voluntary request</li> </ul> </li> </ul>
In-country	<ul style="list-style-type: none"> <li>■ Provides the most capacity-building benefit</li> <li>■ Offers full dedication of the technical expert team to the country and a very high level of interaction between the team and national experts involved in the preparation of the information and those responsible for domestic planning and implementation</li> <li>■ May be more suitable                             <ul style="list-style-type: none"> <li>□ if major issues were highlighted in previous TERs, especially in mandatory areas, and</li> <li>□ for Parties with high emission levels</li> </ul> </li> </ul>

Source: Authors.

Regional reviews also could be encouraged because of their resource efficiency and capacity-building benefits. Clear guidance should be provided to the expert review teams regarding the appropriateness of suggesting a review modality for subsequent reviews. Table 1 lists some of the benefits associated with individual review formats that Parties and review teams can consider in determining the appropriateness of specific review formats.

**Although it is important for all Parties to periodically undergo in-country review, a rotation system could be set up where, every few review cycles, each Party would be subject to an in-country review.** The use of in-country reviews also may be optional for developing country Parties that are provided flexibility in the light of their capacities.<sup>46</sup> Given the resource-intensiveness of in-country reviews, targeting the use of in-country reviews well could allow for their continued use in a system with limited financial and human resources. Currently, for Annex I national inventory review, in-country reviews are used at least once every five years.<sup>47</sup>

**Based on good practice within and outside UNFCCC, TER teams could be encouraged to seek the inputs of non-Party stakeholders.** These could be limited to international organizations or to nonstate and subnational actors known to operate in the country, and this could be recorded. Studies by academic and other nongovernmental think tanks could be leveraged to identify gaps, improve documentation of methods and standards of practice nationally, track progress on the implementation of NDCs, and inform the design of future rounds of NDCs.<sup>48</sup> If such inputs are embraced by the countries, used to enhance their national system, and referenced in their national report, this could help countries' implementation of the Paris Agreement, and help mobilize and build capacity in a more sustainable way. However, in considering the input of non-Party stakeholders, care must be taken to avoid any conflict of interest on the part of the non-Party stakeholder providing information.<sup>49</sup>

**The existing regime provides good foundations for the treatment of confidential information and for the quantification and correction of estimates by the TER team.** The existing guidance, under the UNFCCC or Kyoto Protocol, may only need minor amendments to be fit for purpose under the Paris Agreement.

## 2.3 Composition, Roles, and Responsibilities of the TER Teams

This subsection examines the criteria for selecting the individual members of the TER teams, the competencies

covered by the team as a whole, the division of responsibilities, and the resource implications of sustaining experts and Secretariat support.

### 2.3.1 Key Lessons from the Existing Review Systems

**The current arrangement faces significant financial constraints, which affect the ability of the Secretariat to play a key role in coordinating reviews and providing technical and logistical support. Financial constraints also affect the participation of expert reviewers.**

Currently, developed countries support the participation of their own experts in the review process, while the UNFCCC supports the participation of experts from developing countries and countries with economies in transition. With developed countries supporting their experts, the Secretariat has been able to keep the cost of review under control. An increase in the number of expert participants from developing countries and economies in transition will necessitate greater funding support from the Secretariat. Experience with the existing arrangements underscores the fact that, to ensure a smooth expert review process, sufficient financial resources need to be made available for developing country experts to participate, as well as for the Secretariat to coordinate the process.<sup>50</sup>

**The number of qualified experts is insufficient to ensure the sustainability of the process. Expanding the roster of experts, in particular adding more experts from developing countries, is essential to guarantee the human resources necessary for the review process.**

A major impediment is the fact that the reporting and review process is mandatory, but the review process depends on the input from experts who participate in the process on a voluntary basis. Although the actual amount of time spent (and associated costs) remains unclear, one estimate suggests that the time required for experts and the Secretariat to carry out the annual national inventory review cycle for all Annex I Parties amounts to 4,000 days. One-quarter of this time is Secretariat staff time, with the remaining days spent by review team members on preparing for the review, the review week, and the follow-up.<sup>51</sup>

During the 2016 review cycle, 217 experts<sup>52</sup> participated in the reviews of Annex I GHG inventories, and 112 reviewers<sup>53</sup> participated in the review of Annex I BRs and NCs. Despite having many more reviewers on the UNFCCC's updated roster of experts,<sup>54</sup> in practice, the number of available experts is not always sufficient to match requirements. The increased workload of more reviews and the lack of financial resources<sup>55</sup> may explain the high rate of experts declining to review Annex I BRs and NCs—57 percent declined in 2014–15, and 36 percent in 2016.<sup>56</sup>

Table 2 | Hypothetical Demand for Expert Reviewers under the Paris Agreement

REVIEW FORMAT	NUMBER OF PARTIES	PERCENTAGE OF PARTIES (%)	EXPERTS PER TEAM <sup>a</sup>	PARTIES REVIEWED PER TEAM	NUMBER OF EXPERTS NEEDED
In-country	45	25	6	1	270
Centralized	117	65	12	3	468
Desk-based	18	10	6	2	54
<b>Total</b>	<b>180</b>	<b>100</b>			<b>792</b>

Note:

<sup>a</sup> For Annex I reviews, the size of the expert review team depends on the type of review. Teams comprise six roles: one generalist and five sector experts (energy, industrial processes and product use, agriculture, LULUCF, and waste). During in-country reviews, one expert fills each role with two experts serving as lead reviewers (six experts in total). During centralized reviews, two experts fill each role (12 experts in total). Finally, the team preferably includes at least one reviewer fluent in the language of the Party under review (UNFCCC 2014a, Annex, para 36–39).

Source: Authors' estimate.

Table 2 provides a hypothetical illustration of the number of experts that might be required to carry out TERs for all 180 Parties under the Paris Agreement, assuming a plausible distribution among the modalities of in-country, centralized, and desk-based reviews. (See Section 2.2 for a discussion of the various review modalities.)

**More training is required for both existing and new experts in areas matching the scope of the review. Experts require competencies that are relevant to the type of transparency report under review, and conflicts of interests need to be avoided.**<sup>57</sup>

If the relevant expertise is lacking among reviewers, or if the pool of trained reviewers is too small, training needs to be provided. This has been acknowledged to some extent in the expert reviewers' training courses set up by the Secretariat.<sup>58</sup> These courses have covered not only aspects related to GHG emissions and mitigation policies and measures, but also those related to the review of information concerned with the provision of financial support, technology transfer, and capacity building. However, as noted by lead reviewers, "further development of the new training programme on vulnerability and adaptation aspects would be useful."<sup>59</sup>

Although, training—and passing certain exams—is a precondition for expert reviewers to participate in reviews and can help build the necessary expert reviewer capacity, it also entails financial costs. Through the online training courses offered since 2015, 202 experts have passed one or more of the exams to qualify for the review of Annex I BRs and NCs. (Of 218 experts who took the exams; 92 percent passed.)<sup>60</sup>

Existing review arrangements suggest that individual experts need to meet the following selection criteria: act in a personal capacity; be nominated by a Party or by intergovernmental organizations to the UNFCCC's

roster of experts; have recognized competence in the areas to be reviewed; and not be nationals of, or be funded or nominated by, the Party under review.<sup>61</sup> In addition, reviewers need to pass relevant exams.<sup>62</sup> In short, experts need to be qualified, and there can be no conflicts of interests.<sup>63</sup>

**The composition of review teams has ensured adequate geographical balance, but more efforts may need to be made with regard to gender balance.**

Teams of experts usually need to include experts from both Annex I and non-Annex I Parties, with colead reviewers from both Party groupings. For the teams of technical experts analyzing developing countries' BURs, the aim is to have a majority of experts from non-Annex I Parties.<sup>64</sup> For Annex I reviews, the size of the review team depends on the type of review (as shown in Table 2 above). The team preferably includes at least one reviewer fluent in the language of the Party under review.

One issue is a disproportionately low number of women reviewers. At COP 20, Parties adopted the Lima Work Programme on Gender, which invites Parties to advance gender balance, promote gender sensitivity in developing and implementing climate policy, and achieve gender-responsive climate policy in all relevant activities under the Convention.<sup>65</sup> At COP 22, the program was extended for another three years,<sup>66</sup> and the Secretariat was mandated to prepare a technical paper identifying entry points for integrating gender considerations in workstreams under the UNFCCC process for consideration by the Subsidiary Body for Implementation (SBI) at its 48th session (April–May 2018).<sup>67</sup> In the most recent round of BR reviews, 47 of 112 experts were female (42 percent).<sup>68</sup> This is an increase from the previous round of reviews, where 56 of 150 (37 percent) reviewers were female.<sup>69</sup>

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**Lead reviewers play a key role in strengthening the quality and consistency across different reviews.**

Lead reviewers play a key role in maintaining the high standards of the review process. They are identified by their experience, number of reviews performed, and willingness to commit to attending lead reviewers' meetings. Lead reviewers should ensure that the reviews in which they participate are performed by each expert review team according to the relevant review guidelines and consistently across Parties. They also should ensure the quality and objectivity of the technical examinations in the reviews, as well as the continuity, comparability, and timeliness of the reviews.<sup>70</sup> For each review, lead reviewers also need to ensure that other reviewers have the necessary background documents, keep track of progress, coordinate communication with the Party, offer technical advice to team members, prepare the review report, and prioritize issues raised in previous transparency reports.<sup>71</sup> Lead reviewers also meet annually to discuss the state of the review process, allowing them to improve consistency across Parties' reviews.

### 2.3.2 Options and Suggestions for the Paris Transparency Framework

**Based on current and past experience, the following practices should continue:**

- Expert review teams are coordinated by the UNFCCC Secretariat.
- Each review team is led by colead reviewers.
- Review team composition should ensure geographical, gender, and economic development balance.

**Sufficient financial resources should be made available for the Secretariat to carry out its coordinating role.** In coordinating the review teams, the Secretariat ensures that all procedures are followed and that tasks are performed in a timely manner.

**In addition, sufficient financial resources should be made available for experts to participate.**

This raises the issues of recruitment and remuneration, although further analysis would be required to assess the implications of raising more funds, including from the private sector.

**One expert from a developing country and another from a developed country should serve as colead reviewers of expert review teams.**

This arrangement helps ensure a balanced approach to the evaluation undertaken by the team of experts and

ensures that not only the MPGs for the review are followed but that the quality and robustness of the process, specifically in relation to the identification of areas for improvement, are maintained.

**The composition of review teams should ensure balance among experts from developed and developing countries, geographic regions, and gender.** As far as possible, experts participating in a regional review should come from the region where the review takes place, provided that they are not nationals of the countries under review. Language skills to engage effectively with the country being reviewed also are valuable.

**The pool of nominated and trained experts should be large enough to cover the needs of the reviews.** The pool of experts could be increased if

- experts are nominated by both Parties and intergovernmental organizations or other admitted observers; and
- Parties (through their UNFCCC focal points or roster custodian) are urged or encouraged (as appropriate) to nominate a more diverse pool of experts from not only the government but also from other relevant stakeholders such as civil society organizations and the private sector.

A more diverse recruitment pool also would provide an opportunity to mobilize more women and encourage a more effective strategy for the education and mobilization of climate experts from developing countries.

**All experts should successfully undergo (online) training and testing.** Additional in-person training should be organized if financial resources are available. Trainings may be especially useful if held immediately prior to reviews, especially for those experts who are participating in a review for the first time or who have not participated in the previous three years. Under the current system, there are two available training streams. Consolidating to common guidelines and one stream of training may help reduce some costs.

## 2.4 Outputs of the TER

### 2.4.1 Key Lessons from Existing Review Systems

In the current transparency system, the main output of technical reviews or analyses are country-specific reports, which are published on the UNFCCC website. The report is forwarded to the COP with a written comment by the Party under review.<sup>72</sup> The information in these reports includes the findings of the expert review team, including the identification of any potential issues



and suggestions to resolve these issues; an assessment of efforts made by the Party to address issues arising from this or the previous report; and the benchmarks used to reach these findings. For developing countries there is a focus on the gaps and needs of the countries to facilitate capacity building. These experiences can provide valuable lessons on how the recommendations and encouragements to the Party under review could be framed.

**Reviewers have some discretion in drafting review reports, allowing them to make comments on Parties' efforts to fulfill their requirements as well as commending Parties for good behavior. However, reviewers must avoid political judgments<sup>73</sup> and respect the facilitative nature of the review process.**

In technically assessing progress toward an emissions reduction target, reviewers have, in the past, offered conclusions regarding the implementation of commitments by the Party under review. Such conclusions, however, are often the results of intense discussion and agreement between the technical expert review team and country experts.<sup>74</sup>

Reviewers also have developed a practice of commending Parties for improved reporting, employing positive encouragement as a tool to improve future reporting. Although no provision is made in the review guidelines to do so, in practice, reviewers have agreed to commend Parties when they go beyond their reporting requirements or make improvements and implement recommendations from previous reviews.<sup>75</sup>

Recommendations also are used in other international review processes and may be politically contested in the process. For instance, recommendations flowing from the OECD's Environmental Performance Review may be rejected by the country under review. However, sometimes such recommendations can be employed by the environmental administration of a country to raise issues in other government departments.<sup>76</sup> Rejection of recommendations is also a possibility in the context of the HRC's UPR. A review of the first two review cycles of the UPR found that 75 percent of recommendations were accepted. However, it also found that the most action-oriented recommendations were more often rejected.<sup>77</sup> The facilitative nature of the Paris Agreement process might ease such sensitivities.

**The TACCC principles used in the current regime for preparation of GHG inventories have helped reviewers adopt a more consistent approach across reviews.**

Review experience so far has helped clarify the TACCC principles. For instance, the Review Practice Guidance for BR and NC reviews, a yearly updated document agreed upon by lead reviewers, includes guidance on how to distinguish between “completeness” and “transparency” in the review process.<sup>78</sup> For non-GHG inventory review reports,<sup>79</sup> the main focus is commonly on timeliness (information is submitted on time), transparency (information is clear and understandable), completeness (information is complete), and adherence to reporting guidelines. Where reports are not in line with these principles, reviewers are to use “recommendations” if the reported information was mandatory (i.e., there was a “shall” requirement in the reporting guidelines) or “encouragements” if the requirements are not mandatory (e.g., “should” or “may”).<sup>80</sup>

**The review reports offer an opportunity to identify capacity-building needs in order to improve subsequent reporting.**

In the summary reports for developing countries' BURs, experts are required to identify capacity-building needs to help improve reporting and allow for the Party's participation in future reviews.<sup>81</sup> This identification of capacity-building needs can help improve reporting over time for individual Parties. It also may identify problems that are common to multiple Parties, which in turn can inform decision-making processes by the COP.

**The outcome of the review often has been used by Parties to improve the next round of reports, especially for developed countries.**

Reviews examine issues raised in previous review reports and whether they have been addressed. This points to the importance of follow-up of review reports. Expert reviewers are instructed to carefully scrutinize the extent to which Parties have addressed each of the recommendations made in previous review reports.<sup>82</sup>

## 2.4.2 Options and Suggestions for the Paris Transparency Framework

The output of the technical review is key for both the Party under review and the international community to reveal the level of efforts and improve the next round of reporting.

**The review report should be factual, nonconfrontational, and drafted with a view to contributing to the Party's implementation of its commitments under the Paris Agreement, including those related to support, its NDC, and transparency.** As with the current transparency regime, the team of experts will have to strike a balance between

formulating recommendations and options for improvements and avoiding judgments or determinations, in particular those of a political nature.

### **The review report could make references and considerations related to the following:**

- Support provided and the implementation and achievement of the Party's NDC under Article 4 (Article 13, paragraph 12), including good practices, priorities, needs, and gaps, to inform the GST under Article 14 (Article 13, paragraph 5).
- Consistency of the information with the MPGs, taking into account any flexibility accorded to developing country Parties that need it in the light of their capacities (Article 13, paragraph 12).
- Identification of areas of improvement for the Party (Article 13, paragraph 12).
- Identification of capacity-building needs (Article 13, paragraph 11), which could provide valuable input to the work of the CBIT.

### **To help identify capacity-building needs, the review report should describe how a developing country Party used the discretion or flexibility they were given from the reporting guidelines.**

The report should describe how flexibility was provided both in the scope of the transparency framework and, if relevant, in the scope of the technical review. Parties also could develop an improvement plan to identify how they propose to progress from minimum requirements to best practices. Reviewers could note how Parties have progressed along their improvement plan and identify other capacity-building needs.

**The review report should highlight areas of the national report where reporting is of high quality to help identify good practices.** Experience with such encouragement to Parties under the current regime has led to improved subsequent reporting and could be institutionalized—for example, in good practice guidance documents.<sup>83</sup> This practice would support the goals of using the review process to sustain improvement over time because the iterative process of continually responding to recommendations will enhance quality and transparency.

**The output of the TER should inform the GST (Article 14), the mechanism to facilitate implementation and promote compliance (Article 15), and the design of the next round of NDCs.** As with the enhanced transparency framework, Parties are still developing the MPGs for the stocktake and the Article 15 mechanism. In doing so, Parties should recall implicit and explicit linkages with the TER and consider how the

review outputs should be incorporated.<sup>84</sup> Individual TER reports could facilitate the understanding of countries' efforts and facilitate the aggregation or compilation of the efforts and therefore inform the GST. The Article 15 mechanism could contribute to improving capacity for transparency and support implementation and compliance with the enhanced transparency framework MPGs. Finally, the report produced by the TER team includes a number of recommendations that not only could improve the next round of reporting but also benefit the institutional setting, the decision-making process, and the policy design, as well as subsequently enhance the next round of NDCs.

## **2.5 Frequency and Timing of the TER**

### **2.5.1 Key Lessons from Existing Review Systems**

This subsection describes the frequency and timing of the technical review under current arrangements, highlighting the benefits and challenges.

### **Because the frequency of reviews is tied to reporting, unpredictable reporting delays have affected the frequency of reviews and impacted the efficiency of the review process.**

Under existing review arrangements, expert reviews are triggered by the submission of national reports. For GHG inventories, this means that reviews take place on an annual basis; for Annex I NCs, reviews are to take place every four years; and for BRs and BURs, every two years. Tying the review frequency to the submission of reports means that any delay in reporting has implications for the timing of reviews. Although developed countries' GHG inventories, and to a large extent BR and NCs, are submitted at or close to the due date, that has not been the case for BURs.<sup>85</sup> There has been an average of 10 years between the first and second round of NC submissions, and less than 40 developing countries submitted a BUR within three years of the due date.

Delay in reviews also may have an impact on the future reporting—assuming that subsequent deadlines are met—as it would give the Party very little time to consider any recommendations flowing from the review. Conversely, predictable reporting allows the Secretariat to plan and facilitates efficient use of resources. With delays in reporting, where the submission date becomes unpredictable, it has been difficult to ensure the availability of reviewers upon submission of the reports.<sup>86</sup> More sustainable capacity building (resulting in the strengthening of the institutional framework for developing countries), could help address the delays in reporting.

**Meeting the review deadlines has proved challenging in all review types. Delays have led to undue burdens on the Secretariat and reviewers and have affected the Parties' ability to take the recommendations of the expert team into account in their subsequent reports, thereby hindering the improvement of reporting over time.**

Review reports of GHG inventories are required<sup>87</sup> to be carried out within a tight deadline of 20 weeks; review reports of Annex I Party BRs and NCs need to be completed within 15 months of submission; and draft summary reports of the technical analysis of BURs need to be completed within three months of the start of the analysis and finalized within three months after receiving comments from the Party. Although there has been some improvement, reviewers still face challenges in completing GHG inventory reviews within those timeframes.<sup>88</sup> In some cases, delays may be attributed to slow responses from Parties. In recent years, the 15-month deadlines for the review of developed countries' BRs and NCs have been met, thanks to coordination and efforts from Parties to respond in a timely manner, the UNFCCC Secretariat, dedicated reviewers, and the introduction of review tools and technologies.<sup>89</sup> The timeliness of review reports is of great importance for Parties' efforts to improve subsequent reports, but challenges remain, given the uncertainty about the availability of human and financial resources.<sup>90</sup>

**Other multilateral agreements have used agreed-upon criteria to decide on the frequency of review for different countries to better cope with the scale of the review.**

Looking briefly at other international review processes, it is interesting to note that both the WTO and IMF review frequencies are tied to regime-specific criteria. In the WTO, reviews are related to the share of world trade. (Countries with a higher share are subjected to more regular review.) The WTO's TPRM was recently amended to lower the frequency of review for all countries, implying that the frequency needed to be adjusted following the accession of more countries to the WTO. In the case of IMF reviews, the frequency is related to the risk posed to global financial stability. (Lower-risk countries are subject to biennial rather than annual review.) Using agreed-upon regime-specific criteria could help ensure that the frequency of review matches the objectives of the review process, while saving costs by limiting the review frequency for some Parties (in particular those countries that were granted discretion to report and be subject to a review).

## 2.5.2 Options and Suggestions for the Paris Transparency Framework

The default case is that reviews will take place after the submission of BTRs.<sup>91</sup> For most Parties, this means that a technical review will take place every two years.<sup>92</sup>

Undertaking the technical review of more than 190 transparency reports every two years (in addition to the yearly review of developed country GHG inventories) will pose a burden to the system, especially the UNFCCC Secretariat and available experts. There is no precedent for conducting such a massive number of technical reviews because the submission of reports by developing countries under the Convention is not yet regular. The current system needs to be adapted to handle the biennial reporting envisioned by the Paris Agreement.<sup>93</sup> We do not expect this to happen in the first implementation years of the regime, though because many developing countries are still likely to struggle to report by the deadline. But the review process will need to cope with this increasing burden over time.

**Reporting and review timelines could be staggered.** If Parties were to submit their reports according to a staggered schedule, TERs could be completed immediately following each submission rather than all at once. For example, some countries would submit by December 31, with others submitting one month later, two months later, and five months later. However, more analysis is needed regarding the implication of such a process on the frequency of the review and timelines of the information for the aggregation and compilation of information for the GST.

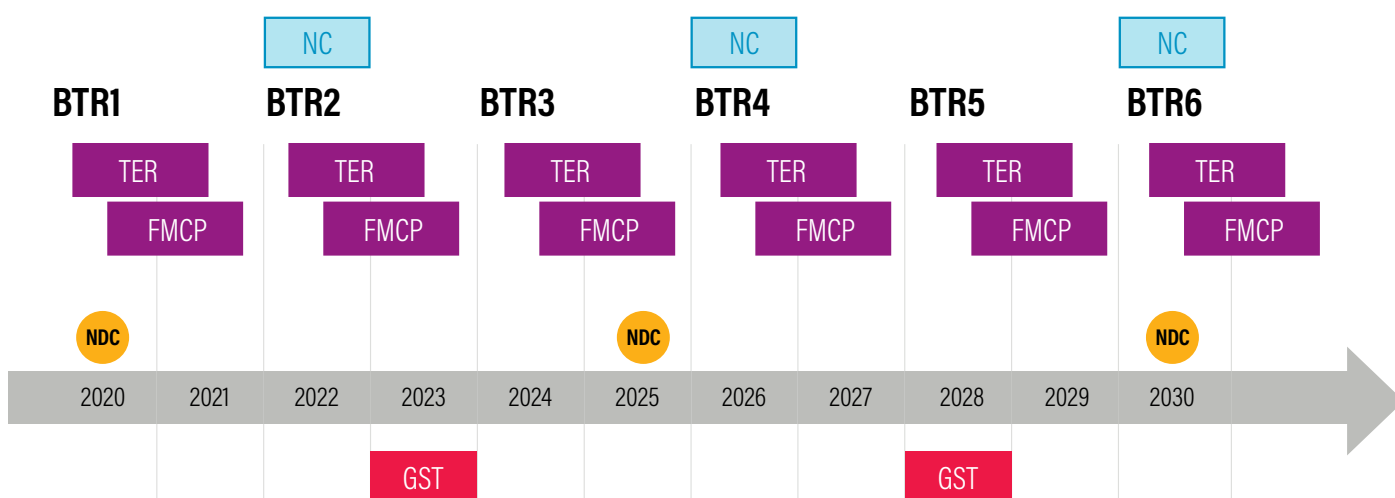
**Parties could submit reports at the same time, but reports could be reviewed in batches.**

Some reviews could begin immediately following the submission of the reports while others could be reviewed after an agreed-upon period (e.g., within six months after submission). More analysis is needed regarding the implications of such processes for the frequency of the reviews and the aggregation and compilation of information for the GST.

Figure 5 outlines a possible timeline of the review process and its interaction with reporting cycles, NDC cycles, and cycles of the GST. For more on the timing of reporting, see the complementary PACT paper on reporting.<sup>94</sup>

Parties with low emission levels, as well as LDCs and SIDS, also could be subject to a different frequency of reviews. However, Parties still could choose to be reviewed as regularly as other Parties, acknowledging

Figure 5 | Illustrative Timeline of the Enhanced Transparency Framework



Source: Authors.

the potential benefits of being reviewed. This approach would address the problems outlined above, such as reporting delays reducing the availability of reviewers and uncertainty over human and financial resources hindering the timeliness of reviews. It therefore would contribute to the completeness and sustainability of the enhanced transparency regime and avoid undue burden on the Secretariat, reviewers, and Parties.

A draft version of the review report could be made available within 12 months of the submission of the transparency report and a final review report shared three months after that. The deadlines for submitting the draft and final versions of the review report should not be so tight as to create undue burden on the Secretariat and reviewers. However, they should be tight enough to enable Parties to consider the recommendations for improvement in its subsequent reporting cycle. The timeline suggested here enhances the opportunities for Parties to take on board any recommendations for the improvement of their subsequent transparency report, thereby contributing to improving reporting over time while avoiding undue burden on the Secretariat.

### 3. LESSONS LEARNED AND SUGGESTIONS FOR DESIGNING THE FMCP

This chapter examines experiences with the facilitative and multilateral processes under the Convention and the Kyoto Protocol, namely ICA and IAR. It identifies good practices that could be replicated and areas that need improvement. This element of the current review process is relatively new, and experience within the UNFCCC is limited compared to that with the technical review analyzed in the previous chapter.

The chapter then outlines suggestions for the MPGs on the FMCP under the Paris Agreement. This exercise is carried out for all the core elements of the multilateral consideration; namely, the scope and type of information reviewed, the modalities used, the outputs produced, and their frequency and timing.

In the current UNFCCC transparency arrangements, there are distinct multilateral review processes for developed countries and developing countries. Developed country Parties are subject to MAs under the IAR,<sup>95</sup> while developing country Parties are subject to FSVs under the ICA.<sup>96</sup>

#### 3.1 Scope of the FMCP

##### 3.1.1 Key Lessons from Existing Review Systems

**Although the current MA and the FSV are focused primarily on the achievement of mitigation targets, Parties have used the process to raise questions beyond the original scope—for example, concerning adaptation or support. This has increased the opportunity for Parties to exchange information and best practices.**

Under the current arrangements, the MA of BRs is focused on the “progress in implementation towards the achievement of emission reductions and removals related to [developed country Parties’] quantified economy-wide emission reduction targets.”<sup>97</sup>

Inputs to the MA include information beyond progress toward mitigation targets.<sup>98</sup> The MA is based on the technical review report, the Party’s reports (including BR, GHG inventory report, and NC), and supplementary information on the achievement of the Party’s quantified economy-wide emissions reduction target, including the

role of LULUCF and carbon credits from market-based mechanisms. In addition, any question submitted by Parties in advance to the MA portal will be considered in the multilateral assessment.

Developing and developed countries have sometimes raised questions concerning matters outside the scope of the assessment—for example, their national adaptation activities<sup>99</sup> and support provided to developing countries.<sup>100,101</sup> Parties undergoing this multilateral assessment may choose whether to address questions that are out of scope for the process. Experience shows that, although the scope of the FSV and MA is limited, Parties are interested in raising questions that are not confined to the achievement of mitigation targets.

The scope of the FSV is the same as the scope of the technical analysis of BURs. Inputs into this process include the BUR, the summary report of the technical analysis, as well as questions submitted by Parties in advance through the FSV portal. Although the focus of most discussions in the FSV have focused on mitigation and transparency, they also have addressed other questions, such as support received.

### 3.1.2 Options and Suggestions for the Paris Transparency Framework

Article 13, paragraph 11, of the Paris Agreement establishes that “each Party shall participate in a facilitative, multilateral consideration of progress [FMCP] with respect to efforts under Article 9 [on support provided], and its respective implementation and achievement of its nationally determined contribution.”

**As this paper suggests for the TER, upon each Party’s early request, the scope of its own FMCP could be widened to include information not covered by Article 13, paragraph 11, of the Paris Agreement (e.g., climate change impacts and adaptation and support received).** Providing additional information would enhance information sharing and the identification of good practices.

#### Parties would have then two options:

- request to include additional information that was reviewed under the TER (e.g., impacts on climate change and adaptation) in the FMCP.
- request to include additional information that is not covered by Article 13, paragraph 11, and that has not been subject to the TER, in the FMCP.

Figure 6 illustrates the information to be included in the FMCP, as mandated by the Paris Agreement, and subject to inclusion upon request, as discussed in this paper.

**As is the case for the TER, the scope of the first FMCP should pay particular attention to “information necessary to track progress made in implementing and achieving its nationally determined contribution under Article 4.”**

This will allow for an immediate and improved understanding of each NDC and the diversity of NDCs among different countries, which should be embedded in the reporting. It also could facilitate the assessment of aggregate efforts to inform the GST under Article 14 if Parties explain how the NDCs could be assessed in the context of collective progress.

## 3.2 Modalities of the FMCP

### 3.2.1 Key Lessons from Existing Review Systems

This subsection examines modalities of the current arrangement, under which the MA and FSV take place at in-session workshops held during meetings of the SBI.

Figure 6 | **Information Included in the Facilitative, Multilateral Consideration of Progress (FMCP)**

REPORTED INFORMATION	FACILITATIVE, MULTILATERAL CONSIDERATION OF PROGRESS
National inventory report of anthropogenic emissions by sources and removals by sinks of greenhouse gases (Article 13, paragraph 7a)	?
Information necessary to track progress made in implementing and achieving NDCs (Article 13, paragraph 7b)	✓
Information related to climate change impacts and adaptation under Article 7 (Article 13, paragraph 8)	?
Information on financial, technology transfer, and capacity-building support provided to developing country Parties (Article 13, paragraph 9)	✓
Information on financial, technology transfer, and capacity-building support needed and received (Article 13, paragraph 10)	?

Note:

Check marks indicate information subject to the FMCP, at a minimum, under the Paris Agreement. Question marks indicate information that Parties could request to be included in the FMCP.

Source: Authors.

We focus on the transparency of these processes and the engagement of Parties and non-Parties.<sup>102</sup> More details on these modalities are provided in Appendix C.

**The multilateral assessments that have taken place so far have provided a useful space for countries to share experiences and best practices in a facilitative manner.**

A number of benefits have been claimed from the process to date, including providing transparency (through webcasting), allowing full participation of all Parties (through the Q&A) and raising the domestic influence of ministries involved in implementation. Other advantages include the contribution to policy exchange and learning, clarification of technical issues in reporting, and the provision of space for asking “political” questions.<sup>103</sup>

**The majority of questions raised during the in-session workshops have come from a handful of Parties, and the engagement of small delegations has been very limited.**

Experience from three rounds of FSVs and five cycles of MAs has demonstrated that the processes can be extremely demanding on Parties in terms of preparation, with no guarantee of high attendance or attention from Parties and the outside world, despite the large number of questions raised during the sessions.

Participation in the MA and the FSV process has increased over time, but the number of Parties asking questions has been limited. More than 70 percent of questions during the first three sessions of the MA stemmed from only four Parties: Brazil, China, the European Union (EU), and the United States.<sup>104</sup> This suggests that most Parties lack the opportunity or capacity to thoroughly engage in the process. This is particularly the case for small delegations, which may not have the capacity in terms of time and/or trained human resources to read all reports. They also may be unable to attend the multihour sessions due to other priorities during the negotiations. This makes a genuine exchange of experiences among a wide range of Parties more difficult and limits the opportunities for Parties to learn from and about each other. If the process were improved to allow broader participation by Parties—in particular, small delegations—there would be greater opportunities for capacity building.

**The modalities of the current system are relatively transparent, but they do not allow for active participation by non-Party stakeholders.**

The MA and FSV have been relatively transparent: They are open to observers; all relevant documentation has been made available on the UNFCCC website (including the underlying reports, Parties’ presentations, Q&As, and summary reports and records); and the sessions can be retrieved online as webcasts. However, accredited observers are not allowed to ask questions (written or oral). In other words, although non-Party stakeholders have access to documentation and procedure (passive participation), they cannot intervene directly in the process (active participation).

Q&A sessions also are employed by the WTO’s TPRB as well as the HRC’s UPR Working Group. In the WTO TPRB meetings, accredited observers (e.g., World Bank, IMF, OECD, UN Conference on Trade and Development) can attend, but the general public cannot. The meeting itself starts with a presentation by the WTO Member under review, followed by a discussant acting in its personal capacity. This is followed by statements and questions from other Members, with countries that submitted questions in advance given priority. For the UPR, NGOs may participate in regular sessions of the HRC, at which UPR outcomes are considered and adopted, and they make brief general comments before the adoption of outcome documents by the HRC.<sup>105</sup> However, questions and answers are not allowed for non-Party observers either.

### 3.2.2 Options and Suggestions for the Paris Transparency Framework

The MPGs of the enhanced transparency framework shall be developed based on “the transparency arrangements under the Convention, including . . . international assessment and review and international consultation and analysis.”<sup>106</sup> The FMCP therefore will likely continue with some of the current modalities of the MA and the FSV—in particular, the “mode of work with presentation by Parties followed by sessions of Q&A.” However, the current multilateral consideration system could be improved. The FMCP could build on the current system in several ways, including the following.

**Establishing an online FCMP platform for Parties’ presentations and Q&A.** The increased number of Parties that will go through the transparency requirement of the Paris Agreement will take up a significant amount of time of the SBI sessions, affecting the time allotted to negotiations. An online platform could be set up to host presentations and Q&A sessions. The Q&A platform could be kept open to allow sufficient time for necessary discussion and additional time for developing country Parties to respond, if they need it.

The online platform could be used in three stages so that the start of the FMCP is not tied to the finalization of the TER:

1. **Before the TER.** Each Party would share its report (and any accompanying presentation) in the online FMCP platform and indicate whether the scope of the FMCP should be expanded to include additional information. Other Parties and admitted observers would be given time to post questions on the information subject to the FMCP.
2. **After the TER.** The final review report would be shared on the online platform. Other Parties and admitted observers would be provided the opportunity to submit additional questions based on the review report.
3. **At the SBI session.** Parties would have the option to participate in an in-person workshop to present updates and respond directly to questions submitted during the two previous phases. Instead of participating in the in-person workshop, Parties could elect to participate in a webinar to present updates and respond directly to the questions posed. This could be live and in real time, but, at least, webcasts of these presentations should be recorded and captured.

Information from all three phases would be made publicly available or webcasted. This three-stage process offers many potential benefits. It would enable greater interaction among a greater number of Parties, thereby increasing transparency and enhancing sharing of both information and lessons learned. Interaction among Parties would occur closer to the publication date of the BTR, enhancing the relevance and timeliness of the process, and Parties would have the opportunity to explore specific topics more in-depth. The TER would not need to be concluded before the interaction can begin among Parties within the FMCP online platform, avoiding undue burden on the Secretariat and reviewers. In addition, the TER reports would continue to be relevant documents, publicly available on the platform. Finally, the time demand during the SBI sessions could be reduced and/or limited to more specific presentations, avoiding undue burden on Parties.

**Benefits from the current practice of the in-person session should be maintained and captured.** To balance the increased number of Parties involved in the FMCP process and the need to meet the Paris Agreement's requirement for biennial FMCP, all Parties could utilize the online platform every two years, but the frequency of participation in the in-person sessions could vary. Parties could decide whether certain

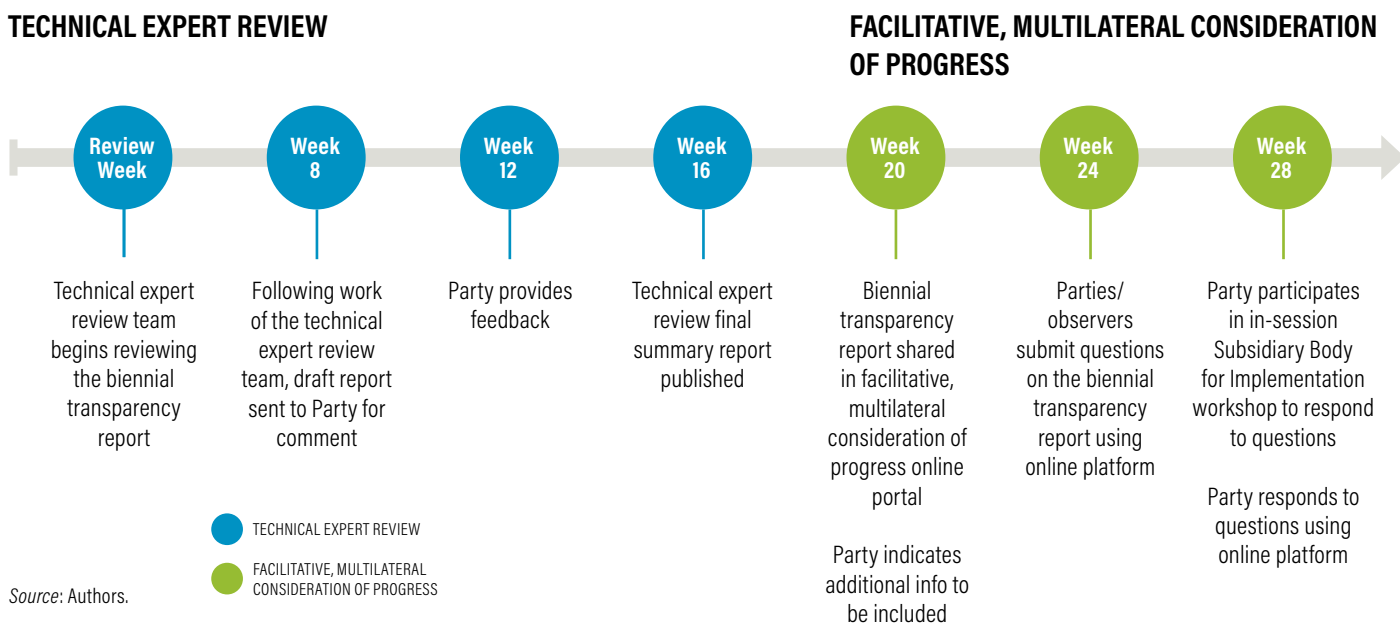
Parties (based on criteria such as an emissions threshold) should systematically participate in the in-person session every review cycle or another determined timeline. Such in-person meetings would be particularly appropriate to secure high-level participation (heads of delegations or deputy heads of delegations).

**Other means of interaction for the multilateral considerations should be considered to mobilize and strengthen the capacity and expertise of a wider range of stakeholders.** Technical assistance could be provided to developing country Parties to prepare their presentations (in a video format) if the in-person participation of some representatives cannot be guaranteed. If a country agrees, specific electronic means of communication (e.g., a webinar) also could be considered ahead of in-person sessions to facilitate the sharing of knowledge and peer-to-peer exchange of best practices and experience among technical experts, especially at regional levels (promoting south-south cooperation). Such webinars also could promote the participation of regional non-Party stakeholders and therefore mobilize and strengthen capacity at national and regional levels. Finally, this approach could be used to facilitate exchange among countries that do not share the same language, as language is often a barrier. Some tools of the FMCP online platform are dependent on Internet connection, which might disadvantage Parties with limited and/or reduced Internet capacities. To minimize these potential disadvantages, specific assessments and solutions will need to be considered on a case-by-case basis.

**To streamline the process, the FMCP could be combined with the TER.** The current system requires the technical review and the technical analysis to be concluded before the MA and the FSV, respectively. This places a burden on the Secretariat, experts, and Parties to finalize the reports in a timely manner. Combining the two steps of the process would reduce the urgency of the deadline.

Figures 7 and 8 illustrate two options for how the FMCP could be carried out via a three-stage online platform, where the start of the FMCP is not tied to the finalization of the TER. Figure 7 depicts a process similar to the current process where the review is completed prior to the multilateral consideration, whereas Figure 8 depicts the combined TER/FMCP process described above. Figure 8 also demonstrates how the entire process can be shortened by using the combined process described here.

Figure 7 | Possible Sequential Technical Expert Review (TER)/Facilitative, Multilateral Consideration of Progress (FMCP) Processes



### 3.3 Outputs of the FMCP

#### 3.3.1 Key Lessons from Existing Review Systems

The main outputs of the MA—in addition to the reports stemming from the technical review—are an SBI summary report, the webcast of the MA session itself, and a compilation of the Q&A. The main outputs of the FSV are a record of the FSV itself, a webcast of the FSV session, and occasionally the presentation (i.e., slide deck) of the Party.

**It is difficult to identify follow-up actions by Parties and/or collaborations established among Parties.**

The outputs from the MA and FSV offer a useful repository of information on the procedures that took place and allow for an overview of the types of questions being asked (e.g., related to progress made or underlying assumptions). Although some of this information is available from the UNFCCC Secretariat, regular summary reports for each MA or FSV cycle are not yet published. Such summary reports could provide a more aggregate overview of the main issues arising in the multilateral considerations and offer an indication of the level of participation in each cycle.

Currently, it is difficult to identify additional actions that have been taken by Parties and/or collaborations that have been established among Parties as direct results of the MA and FSV. This offers limited opportunities for the process to enhance implementation by facilitating the exchange of lessons learned and good practices.

#### 3.3.2 Options and Suggestions for the Paris Transparency Framework

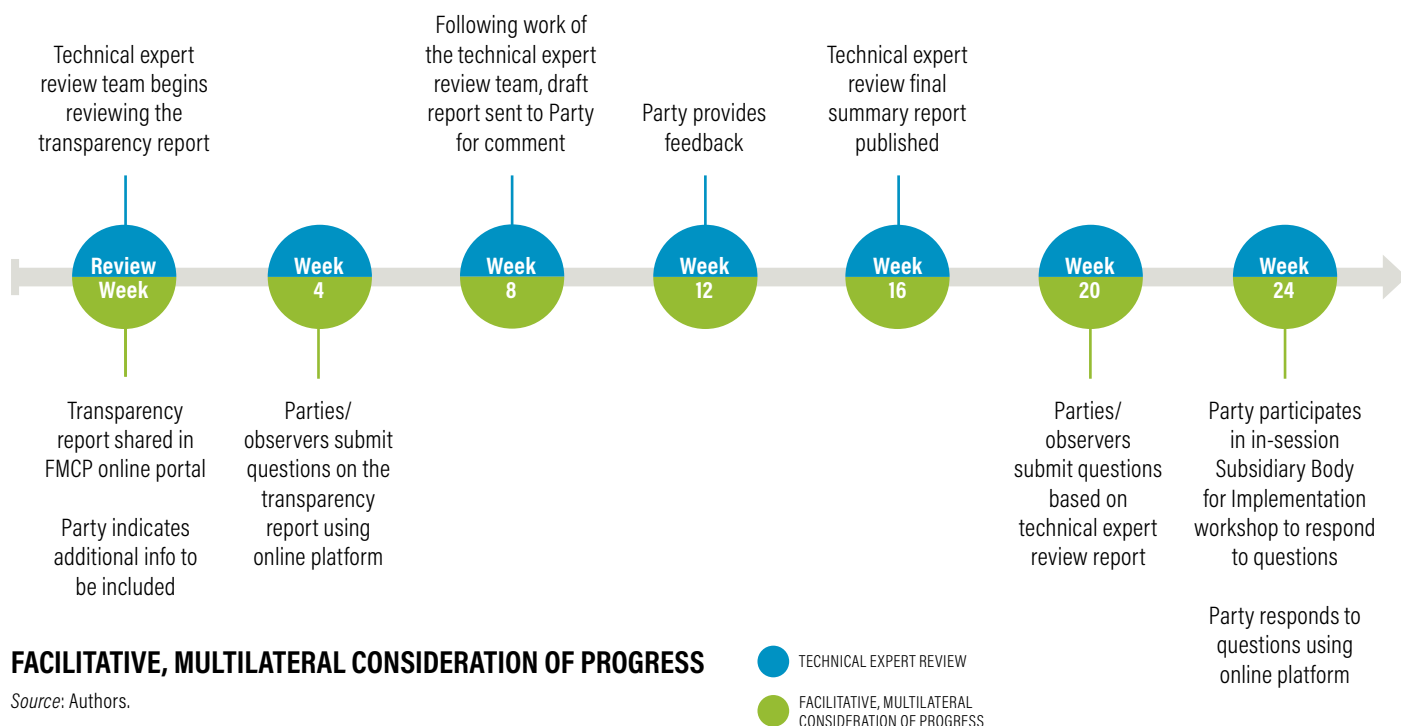
**Based on the FMCP online platform, a database could store information related to the BTR, information related to finance (Article 9 of the Paris Agreement), and information necessary to track progress made in implementing and achieving NDCs under Article 4.** All this information should be publicly available to any interested stakeholder. Parties would have the opportunity to consult such a database in search of best practices and/or experiences that could be replicated and/or serve as inspiration to national actions. Academia and research institutions would have the opportunity to use such a database as inputs to further analysis that could result in recommendations to individual and/or groups of Parties, as well as for the overall implementation of the Paris Agreement. Civil society would have the opportunity to check the information presented in the database against its own criteria in relation to the implementation and achievement of national policies.

**The UNFCCC Secretariat could produce summary reports by Party and/or by cycle.** The reports should cover the main topics raised during the Q&A, related to the TER that were relevant during the FMCP, and presented during the in-session SBI workshop. The reports also could present statistics on use and access of the online FMCP platform.<sup>107</sup> The summary reports



Figure 8 | **Proposed Combined Technical Expert Review (TER)/Facilitative, Multilateral Consideration of Progress (FMCP) Process**

## TECHNICAL EXPERT REVIEW



## FACILITATIVE, MULTILATERAL CONSIDERATION OF PROGRESS

Source: Authors.

would respond to the need for synthesized information and allow quick searches of specific topics. Navigating through several reports of many Parties has proven quite difficult and time-consuming.

**These two outputs, in particular the summary reports, could serve as inputs to the GST under Article 14, as stated in Article 13, paragraphs 5 and 6, the mechanism to facilitate implementation and promote compliance under Article 15, and the PCCB.** Even if the Paris Agreement does not make a direct connection between the Article 15 mechanism and the FMCP, it should be expected that the FMCP discussions will identify issues that are relevant to implementation of the Paris Agreement. These could include identification of Parties' challenges and respective means to overcome such challenges. These outputs also provide precious information, especially best practices, that could be used to enhance the institutional framework, the policy design, and therefore the NDC.

### 3.4 Frequency and Timing of the FMCP

#### 3.4.1 Key Lessons from the Existing Review Systems

**The frequency of the MA depends on the completion of the technical review of the BRs**

**and BURs. This has made the Secretariat and reviewers' task more difficult because delayed submissions have interrupted timelines and made meeting review deadlines challenging.**

At present, the MA cannot occur until Parties submit their BRs and are subject to the technical review. Likewise, the FSV—with the exception of LDCs and SIDS, which can undergo a FSV at their discretion—cannot occur until the submission and technical analysis of BURs. Therefore, for Parties to participate in one of the MA or FSV workshops, the review and analysis must have been completed. Otherwise, the Party may not be able to participate in the MA or FSV until the next workshop. The rush to complete review reports prior to the workshops has made the Secretariat and reviewers' task more challenging. Another consequence is that once the review reports are finalized and the MA and FSV take place, one or two years may have passed since the publication of the BR/BUR, and the discussions could be out of date.

**The time allocated for discussion of each Party being assessed should reflect the different circumstances of each Party and the interest shown by other Parties.**

The MA and FSV so far have only allowed limited time for discussion of each Party (about 30 minutes). In some cases, this time is insufficient. The HRC's UPR provides three and a half hours for each member's review, allowing for the reviews, and the Q&A, to go into greater detail.<sup>108</sup> But such a procedure would add considerable burden on the Parties and Secretariat to attend longer in-person sessions.

### 3.4.2 Options and Suggestions for the Paris Transparency Framework

The lessons on timing and frequency make the case for the modalities suggested in Section 3.2:

- **Integrating the FMCP and TER** (see the combined framework in Figure 7) a bit more could help the Secretariat and reviewers cope with potential delays in reporting.
- However, **efforts on capacity building** will need to translate into enhanced institutional framework and enable countries to meet their reporting deadlines.
- **Although the time allocated for discussion of each party during the in-person session may not be expanded**, to keep it manageable, **additional sessions through webinars or regional workshops could provide more space for peer-learning and sharing of best practices.**

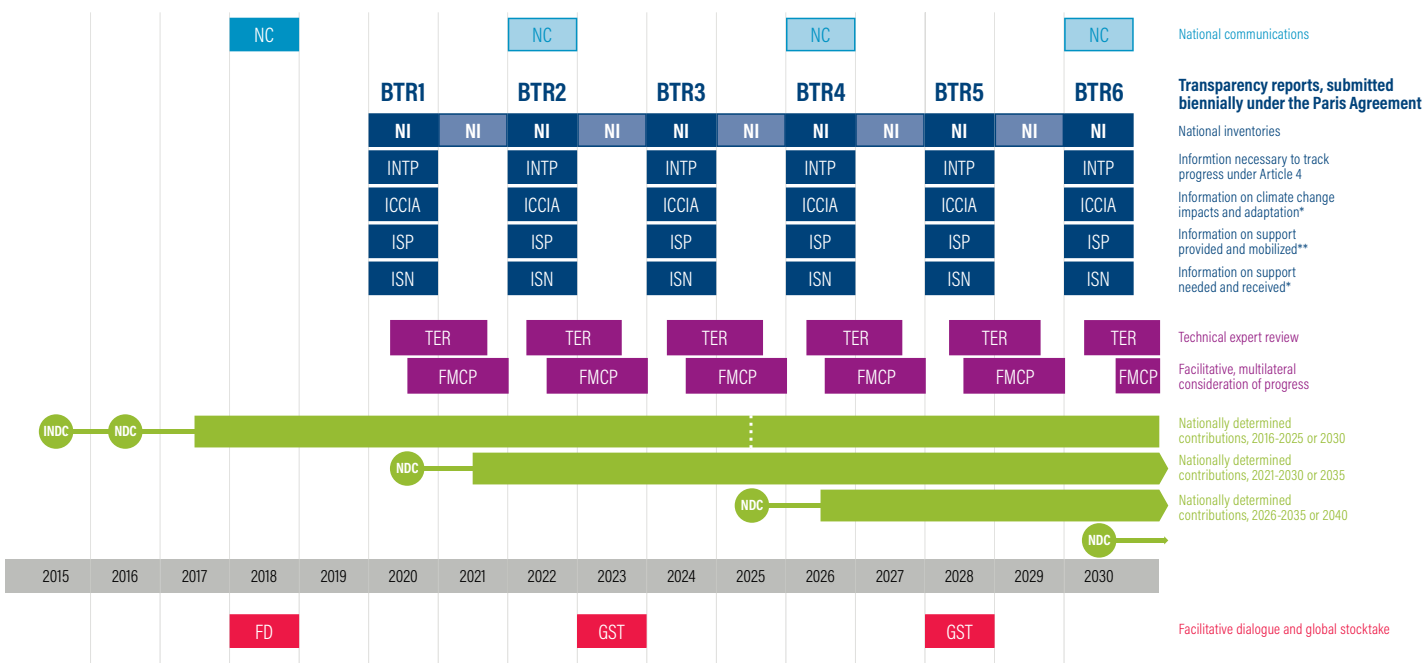
## 4. CONCLUSION

The development of the MPGs of the review process under the enhanced transparency framework must ensure that its purposes, as outlined in the Paris Agreement and accompanying decision, are fulfilled. This implies the need for a delicate balancing act among its functions and principles. For instance, efforts to promote completeness should not lead to undue burden on Parties or the UNFCCC Secretariat; efforts to ensure consistency and comparability should coexist with the flexibility required for those developing country Parties that need it in the light of their capacities; and efforts to ensure environmental integrity should respect the facilitative nature of the regime.

Figure 9 considers reporting and review as a package and demonstrates how the transparency framework supports the broader goals and objectives of the Paris Agreement.

Fortunately, we are not starting from scratch. In Paris, Parties agreed that the transparency arrangements under the Convention, including its review process, will form part of the experience drawn upon when developing the MPGs of the framework. Some lessons and insights from the implementation of the existing MRV system and from regimes outside UNFCCC have been highlighted in this paper. These are used to identify

Figure 9 | Illustrative Timeline of the Enhanced Transparency Framework under the Paris Agreement



Source: Elliott et al. 2017.

\* All Parties are encouraged to provide information on climate change impacts and adaptation, and developing country Parties are encouraged to provide information on support needed and received

\*\* Developed country Parties are required, and other Parties that provide support are encouraged, to provide this information.

what to keep from the existing arrangements and what to enhance in order to make the review process more fit for purpose and effective.

Tables 3 and 4 summarize the key findings of the analysis carried out in Chapters 2 and 3 for both the TER and FMCP. The tables present the paper's main suggestions to build and improve on the existing transparency regime when developing the guidelines for the enhanced review process. They include suggestions on the scope of the review, modalities, the composition of the team of review experts, outputs, and frequency. The tables also highlight the key benefits that could result from implementing these recommendations.

This paper highlights that the current transparency regime operates in the face of human and financial constraints. These constraints apply in multiple areas, including

- the ability of the Secretariat to coordinate the technical reviews;
- the availability, competence, and number of reviewers;
- the resource-intensive formats used for the technical reviews; and
- the time and human capacity constraints limiting the engagement of many Parties in the

multilateral consideration.

These constraints have led to delays in reporting by Parties and in the TER reports. In developing the MPGs for the review process, negotiators should be aware of these existing challenges. Coming up with options, such as those discussed in this paper, that successfully address them will be key for the sustainability of the enhanced transparency framework.

Meanwhile, negotiators also should seize the numerous capacity-building opportunities embedded in the various stages and outcomes of the review process. At the national level, engaging in the review process can enable Parties to strengthen their capacity for domestic policy design if they are able to leverage the feedback supplied in the review. Parties also may benefit from the potential credibility and legitimacy granted by the review. At the international level, the review process enables Parties to exchange information and learn from each other. In addition, the review process contributes to building the capacity of expert reviewers and could help strengthen the expertise and capacity of non-Party stakeholders who could play a critical role in the implementation of the Paris Agreement.

Table 3 | **Suggestions for the Technical Expert Review (TER)**

SUGGESTIONS	POTENTIAL BENEFITS FROM THE IMPLEMENTATION OF THE SUGGESTIONS
<p>Scope</p> <p><b>Widen scope upon request.</b> Upon a Party's request, the scope of the TER could be widened to include information not covered by Article 13, paragraph 11, of the Paris Agreement (e.g., information on climate change impacts and adaptation). Appropriate methodological guidance is necessary to support the review.</p> <p>The scope of the <b>first review</b> should pay particular attention to the way Parties intend "to track progress made in implementing and achieving its nationally determined contribution under Article 4"; building on the lessons from the review process of the Kyoto Protocol;<sup>a</sup> and taking into account the diverse type of actions and the guidance on information to facilitate clarity, transparency, and understanding.</p> <p>Particular attention should be given to countries using market mechanisms and take account of land use changes and forestry to prevent double-counting and to preserve environmental integrity, in accordance with the rules to be agreed-upon under Article 6 of the Paris Agreement.</p> <p><b>Reviews following the completion of an NDC implementation period</b> should pay special attention to reporting on track progress and progress achieved. On this occasion, attention also should be given to countries using market mechanisms and take account of land use changes and forestry.</p>	<ul style="list-style-type: none"> <li>■ Facilitates more widespread sharing of best practice.</li> <li>■ Provides useful input to the mechanisms under Articles 14 and 15.</li> <li>■ Allows for better understanding of individual NDCs, as NDCs vary widely in their goals and targets.</li> <li>■ Facilitates the assessment of aggregate efforts to inform Article 14 (GST).</li> <li>■ Avoids double-counting and preserves environmental integrity.</li> </ul>

Table 3 | **Suggestions for the Technical Expert Review (continued)**

	SUGGESTIONS	POTENTIAL BENEFITS FROM THE IMPLEMENTATION OF THE SUGGESTIONS
<p>Modalities</p>	<p><b>Effective, targeted modalities.</b> Selection among the different review formats (desk, centralized, and in-country reviews; group/regional reviews) should be considered on the basis of established criteria (e.g., the quality of previous reports, emissions threshold, level of financial resources available for each review cycle, type of NDC).</p> <p>TER teams should make recommendations for the type of review in the next cycle based on these criteria. In this case, the Party can agree or not with such recommendation. A Party also may request a specific type of review based on the established criteria.</p> <p>Centralized reviews should be used as default format. In-country reviews could be limited to certain circumstances where capacity-building benefits are clear. Centralized regional reviews should be encouraged.</p> <p>The TER team should be encouraged, when necessary, to assess information and/or make consultation to national non-Party stakeholders to complement and/or check the information presented.</p> <p>Based on current strong foundations, confidential provisions should be maintained.</p> <p>Technical expert reviewers also should be given clear guidance on when and how to correct inaccurate data.</p>	<ul style="list-style-type: none"> <li>■ Builds flexibility into the process and prevents undue burden to the Secretariat, reviewers, and Parties.</li> <li>■ Improves transparency, accuracy, completeness, consistency, and comparability (TACCC) over time.</li> <li>■ Builds the reporting capacity of countries and enhances the institutional arrangements.</li> <li>■ Supports the facilitative nature of the review process while following the TACCC principles.</li> <li>■ Facilitates improvement over time (with better quality of reports in the next round).</li> </ul>
<p>Composition and role of expert reviewers</p>	<p><b>Building upon strong foundations.</b> Sufficient financial resources are needed for the Secretariat to fulfill its coordinating role and support the participation of experts.</p> <p>The Secretariat should continue to coordinate the TER team, with sufficient financial resources.</p> <p>Lead reviewers should continue to play a critical role in ensuring consistency across reviews and be encouraged to contribute, based on their experience, suggestions of possible improvements of the MPGs over time.</p> <p>TER teams should be selected following the current criteria, with greater attention to ensuring gender balance and the necessary expertise within the team (to match the scope of the review).</p> <p>Training should continue to be provided to reviewers to match all issues under review.</p> <p>Nomination by Parties of experts from nongovernmental organizations to serve in their personal capacity on the TER team should be further encouraged.</p>	<ul style="list-style-type: none"> <li>■ Ensures the sustainability of the process.</li> <li>■ Maintains expertise among the TER team and the TER's high standard and degree of credibility.</li> <li>■ Helps address the scarcity of experts and cope with the intensification of the review process (training, nomination, and selection process).</li> <li>■ Builds capacity (through training and certification process).</li> </ul>

Table 3 | **Suggestions for the Technical Expert Review (continued)**

	<b>SUGGESTIONS</b>	<b>POTENTIAL BENEFITS FROM THE IMPLEMENTATION OF THE SUGGESTIONS</b>
Outputs	<p><b>Consistent, facilitative review reports.</b> TER reports that capture recommendations from the expert reviewers should be the main output of the TER, based on the principles of TACCC, for all countries. The report could consist of</p> <ul style="list-style-type: none"> <li>■ review of the reporting requirements;</li> <li>■ technical assessment;</li> <li>■ recommendations, constructive feedback, and encouragements; and</li> <li>■ conclusions.</li> </ul> <p>TER reports should ensure consistency with the guidance on information to facilitate clarity, transparency, and understanding.</p> <p>The outcome of the first review should be consistent with the guidance on information to facilitate clarity, transparency, and understanding.</p>	<ul style="list-style-type: none"> <li>■ Helps ensure coherence and consistency among the various reviews.</li> <li>■ Helps improve reporting over time.</li> <li>■ Triggers or informs action under the Article 15 Committee to facilitate implementation and promote compliance (through recommendations from the TER team).</li> <li>■ Informs the design and enhancement of NDCs.</li> <li>■ Allows for better understanding of the diversity of NDCs (which should be embedded in the reporting).</li> <li>■ Facilitates the assessment of aggregate efforts to inform Article 14 (GST).</li> </ul>
Frequency/ timing	<p><b>Streamlined but timely review.</b> Due to increased reporting and review for developing country Parties, the frequency of resource-intensive review formats should be reduced, upon recommendation by the expert review team and agreement by the Party according to established criteria (e.g., quality of previous reports, emissions threshold, level of financial resources available for each review cycle, type of NDC).</p> <p>In-country reviews should be considered only every two or three cycles.</p> <p>Desk reviews should be used in the cycle following an in-country review.</p> <p>Review to be completed within 15 months of the submission of the biennial report by the Party. The timing of draft and final reports should allow time for Parties to incorporate recommendations into their next report.</p> <p>If the submission of reports is staggered to reduce the burden on the Secretariat, the TER should be staggered as well.</p>	<ul style="list-style-type: none"> <li>■ Ensures effective use of resources and sustainability of the process.</li> <li>■ Allows sufficient time for Parties to implement the recommendations of the TER teams.</li> </ul>

Note: <sup>a</sup> In particular, the process of "review of the initial report" of UNFCCC 2017g.

Source: Authors.

Table 4 | **Suggestions for the Facilitative, Multilateral Consideration of Progress (FMCP)**

	SUGGESTIONS	POTENTIAL BENEFITS FROM THE IMPLEMENTATION OF THE SUGGESTIONS
Scope	<p><b>Widen scope upon request. In principle, the scope of the FMCP should be the same as that of the TER.</b></p> <p>If a Party requests to expand the scope of the information to be reviewed, it also should indicate whether it wishes to include such information under the FMCP.</p> <p>The scope of the first FMCP should pay particular attention to “information necessary to track progress made in implementing and achieving its nationally determined contribution under Article 4.”</p>	<ul style="list-style-type: none"> <li>■ Facilitates more widespread sharing of best practice.</li> <li>■ Provides useful input for the GST under Article 14.</li> <li>■ Allows for better understanding of NDCs because of their individual variance and ranging targets.</li> <li>■ Facilitates the assessment of aggregate efforts to inform Article 14 (GST).</li> </ul>
Modalities	<p><b>Dynamic, inclusive process.</b> Use an online platform to enhance the participation of country experts, non-Party stakeholders, and practitioners (which also implies considering options to facilitate participation for countries with limited Internet access). This could take the form of webinars and could be broadcast.</p>	<ul style="list-style-type: none"> <li>■ Prevents undue burden on Parties during the negotiating sessions.</li> <li>■ Allows for a broader participation from a greater number of Parties and from a wider range of stakeholders.</li> <li>■ Builds capacity and spurs improvement over time.</li> <li>■ Provides flexibility to Parties that need it.</li> <li>■ Facilitates peer exchange and sharing of best practice.</li> </ul>
	<p>SBI workshops could be used to generate more high-level participation and be mandatory for some countries, based on criteria such as emissions thresholds, and voluntary for others.</p> <p>Additional time should be given to developing countries that need it to respond to questions.</p>	<ul style="list-style-type: none"> <li>■ Strengthens country ownership.</li> <li>■ Builds in some flexibility for countries that need it.</li> <li>■ Prevents undue burden to Parties during the negotiating sessions.</li> </ul>
	<p>Enable non-Party stakeholders to ask questions; limiting the number of questions and grouping questions by major constituencies should be encouraged.</p>	<ul style="list-style-type: none"> <li>■ Enhances transparency through wider stakeholder participation.</li> </ul>
	<p>The Party under review can respond to questions in a variety of formats.</p>	<ul style="list-style-type: none"> <li>■ Prevents undue burden on Parties.</li> </ul>
Outputs	<p><b>More comprehensive review database.</b> Set up and maintain a public database capturing the national reports submitted, including FMCP summary reports, prepared by the Secretariat, which could highlight major barriers, best practices, and opportunities for collaboration among Parties identified during the FMCP.</p> <p>The Secretariat to produce and make publicly available summary reports for each Party for each round of review.</p>	<ul style="list-style-type: none"> <li>■ Could provide inputs into the GST under Article 14 and the mechanism to facilitate implementation and promote compliance under Article 15.</li> <li>■ Could provide relevant insights for the PCCB.</li> </ul>
Frequency/timing	<p><b>Timely, integrated process.</b> The TER does not need to be concluded before the FMCP. Rather, the two can be combined into a single collaborative process. This would reduce the time necessary to complete a review cycle.</p>	<ul style="list-style-type: none"> <li>■ Avoids undue burden on the Secretariat and reviewers as it avoids creating deadlines for the TER.</li> </ul>

Source: Authors.

## APPENDIX A: SELECTED REVIEW PROCESSES OUTSIDE THE UNFCCC

REVIEW PROCESS	SCOPE AND INFORMATION	REVIEW MODALITIES	FREQUENCY AND TIMING	OUTPUT	LESSONS LEARNED
TPRM (WTO)	<p>WTO Members' trade policies and practice and impact on functioning of multilateral trading system.</p> <p>Review based on Members' report and report by WTO Secretariat (based on Member report as well as other information).</p>	<p>WTO Secretariat drafts report in close consultation with the Member.</p> <p>Meeting with Member-to-Member questions and answers, both written and oral.</p> <p>Reviews can be organized for smaller groups or regional trade unions;</p> <p>Accredited observers can attend.</p>	<p>Share of world trade determines frequency of review.</p> <p>Originally every 2 years for first 4; every 4 years for next 16; every 6 years for others.</p> <p>The frequency has been adjusted to every 3, 4, and 5 years due to a recent amendment.<sup>a</sup></p> <p>The process takes 1 year, 6 weeks.</p>	<p>Conclusions drafted by the Chair on a personal basis.</p> <p>No recommendations.</p> <p>Published reports and record of meeting.</p>	<p>Frequency of reviews depends on regime-specific criteria (i.e., share of world trade).</p> <p>Group reviews to address concerns about resource requirements.</p> <p>Review draws on both country report and external sources, followed by consultation with country.</p>
Bilateral surveillance (IMF)	<p>Information on policies of Members that can significantly influence present or prospective balance of payments and domestic stability.</p> <p>Global impacts of financial and economic policies in individual Member countries with a view to securing global financial stability.</p>	<p>IMF staff conducts desk-based study and in-country consultations with the government and relevant stakeholders, followed by a report.</p> <p>Discussions by 24-member Executive Board of the IMF lead to summary conclusions.</p> <p>Multilateral consultations involving several countries are possible.</p>	<p>On an annual basis, except for lower-risk countries (e.g., LDCs).</p> <p>No timeline for staff consultations; Board discussion is expected within 65 days after the staff report is submitted.</p>	<p>Staff report, along with Board conclusions.</p> <p>Reports usually made publicly available, but countries can refuse.</p>	<p>Frequency depends on regime-specific criteria.</p> <p>Review of both national and global impacts of domestic policies.</p>

## APPENDIX A: SELECTED REVIEW PROCESSES OUTSIDE THE UNFCCC (continued)

REVIEW PROCESS	SCOPE AND INFORMATION	REVIEW MODALITIES	FREQUENCY AND TIMING	OUTPUT	LESSONS LEARNED
UPR (UN HRC)	Information on implementation of legally binding commitments and voluntary pledges, provided by the State under review, reports by other UN bodies and experts, and input from nongovernmental stakeholders.	<p>A country prepares a national report, with the Office of the High Commissioner for Human Rights, preparing additional reports based on other sources.</p> <p>UPR Working Group open to nonmembers and relevant stakeholders.</p> <p>Documents are discussed in a Q&amp;A session.</p> <p>Conclusions and recommendations are forwarded to the HRC plenary for adoption.</p>	<p>Countries are reviewed every 4.5 years, following a schedule.</p> <p>Reviews take place at sessions three times a year.</p> <p>Documentation needs to be ready 6 weeks before the review.</p> <p>Reviews in the UPR Working Group last 3.5 hours per country.</p>	<p>Report summarizing the proceedings, along with conclusions and/or recommendations.</p> <p>Country under review, other countries, and observers may comment.</p> <p>Publicly available final outcome report, including the country's response, contains recommendations that may or may not be supported by the country under review.</p> <p>HRC can indicate whether follow-up is warranted.</p>	<p>Review inputs provided by nongovernmental stakeholders.</p> <p>Review schedules to help structure and organize review of many Members.</p> <p>Subsequent reviews to look at implementation of the outcomes of previous cycles.</p> <p>Funding to help smaller, low-income countries participate and implement recommendations.</p>
Implementation review (Montreal Protocol)	Information provided in national reports on production, export, and import data for ozone-depleting substances, standardized through data reporting tools and formats.	<p>Issues arising from national reports raised in Implementation Committee through other Parties, self-reporting, or Ozone Secretariat.</p> <p>Implementation Committee also operates noncompliance procedure;</p> <p>Committee meetings are closed to observers, but attended by international organizations.</p> <p>In-country visits possible, but upon invitation.</p> <p>Recommendations from the Committee are forwarded to the Meeting of the Parties (MOP) for adoption.</p>	Reviews take place at sessions twice a year.	<p>Implementation Committee report to the Meeting of the Parties (MOP), including possible recommendations.</p> <p>MOP may draft own recommendations or defer to the Committee.</p> <p>In case of refusal to follow MOP recommendations, cautions or sanctions (e.g., suspension of benefits) may be adopted; alternatively, a financial or technical assistance to the Party is possible through the Multilateral Fund.</p>	<p>Implementation review combined with facilitative noncompliance procedure.</p> <p>Review outcome can be linked to financial and technical assistance.</p> <p>Lack of follow-up in implementing recommendations may lead to suspension of benefits.</p>



## APPENDIX A: SELECTED REVIEW PROCESSES OUTSIDE THE UNFCCC (continued)

REVIEW PROCESS	SCOPE AND INFORMATION	REVIEW MODALITIES	FREQUENCY AND TIMING	OUTPUT	LESSONS LEARNED
Peer review (OECD)	<p>Information from questionnaire filled out by Member.</p> <p>Independent analysis under auspices of the OECD.</p>	<p>OECD Secretariat helps prepare the information base.</p> <p>Reviewing country carries out review on behalf of OECD, including possible in-country visits in which it engages with nongovernmental stakeholders.</p> <p>Draft report is discussed in the OECD body in plenary.</p> <p>Final report is adopted by consensus.</p> <p>The next review follows up on recommendations from the previous review.</p>	<p>Review cycles vary from 12 to 18 months to 6 or 7 years.</p> <p>Length of the review process varies.</p>	Final report, including conclusions and recommendations.	<p>Review carried out by government officials on behalf of, and supported by, international organization.</p> <p>Reviews carried out for nonmembers at their request.</p>
G20 fossil fuel subsidy voluntary peer review	Reports by Members on fossil fuel subsidies.	<p>Self-review carried out by Member.</p> <p>Review team nominated.</p> <p>Review team consults with Member.</p> <p>Final report produced.</p>	<p>Ad hoc, depending on volunteering by Members.</p> <p>Review takes about 2 years.</p>	Final self-review report and peer review report.	<p>Combination of self-review and peer review.</p> <p>Major economies undergoing peer review of climate-relevant fossil fuel subsidies and reform policies.</p>

Note:

<sup>a</sup> WTO 2017a.

Source: Adapted and updated from van Asselt et al. 2015.

## APPENDIX B: MODALITIES OF THE TER: DESK-BASED, CENTRALIZED, AND IN-COUNTRY

	DESK-BASED	CENTRALIZED	IN-COUNTRY
Format	Small team of reviewers working from their own offices and communicating by phone or online communication tools	Several teams at the same time in a central location, with each team working independently from the others	Team of experts travel to the Party under review
Parties reviewed	One, but a single reviewer could participate in multiple consecutive reviews	Multiple	One
Applicable reporting	<ul style="list-style-type: none"> <li>■ Annex I national inventories<sup>a</sup></li> </ul>	<ul style="list-style-type: none"> <li>■ Annex I national inventories</li> <li>■ Annex I NCs<sup>b</sup></li> <li>■ Annex I BRs</li> <li>■ Non-Annex I BURs</li> </ul>	<ul style="list-style-type: none"> <li>■ Annex I national inventories<sup>c</sup></li> <li>■ Annex I NC<sup>c</sup></li> <li>■ Annex I BRs<sup>d</sup></li> </ul>
Pros	<ul style="list-style-type: none"> <li>■ Efficient use of resources and lower costs</li> <li>■ Additional flexibility offered in terms of timing of the review, which could allow for the participation of more experts<sup>e</sup></li> </ul>	<ul style="list-style-type: none"> <li>■ Allows for experts on specific issues (e.g., land use and forestry) to review more than one country at a time, which can save time<sup>f</sup></li> <li>■ Interaction between several experts, and the fact that one expert reviews several countries at a time can further contribute to greater consistency of reviews across Parties</li> <li>■ Build capacity within the expert reviewer community</li> <li>■ Allows for experts to review Parties with the same language (e.g., French- or Portuguese-speaking countries)</li> </ul>	<ul style="list-style-type: none"> <li>■ Direct and face-to-face engagement with representatives from the Party under review, as well as other experts and stakeholders in the country, which can help reviewers to clarify any outstanding issues and help build capacity in the country</li> </ul>
Cons	<ul style="list-style-type: none"> <li>■ Slower turnaround times due to other professional obligations</li> <li>■ Less opportunity for Secretariat staff to set daily goals and move the process along via email and Skype</li> </ul>	<ul style="list-style-type: none"> <li>■ Significant human and financial resource intensity</li> </ul>	<ul style="list-style-type: none"> <li>■ Significant human and financial resource intensity</li> </ul>

### Notes:

<sup>a</sup> At most, once every three years.

<sup>b</sup> Only for Parties with less than 50 million metric tons of carbon dioxide equivalent (excluding LULUCF). All others are reviewed with an in-country review.

<sup>c</sup> At least once every five years.

<sup>d</sup> Only when BRs are submitted with NCs.

<sup>e</sup> Pipatti 2017.

<sup>f</sup> Patoka-Janowska 2016.

Source: Authors.

## APPENDIX C: MODALITIES OF THE MA AND FSV UNDER THE CURRENT UNFCCC TRANSPARENCY ARRANGEMENTS

MAIN TOPICS	MULTILATERAL ASSESSMENT (MA)	FACILITATIVE SHARING OF VIEWS (FSV)
Format	Working group sessions	Workshop
Inputs	<ul style="list-style-type: none"> <li>■ BR, the national GHG inventory, including the national inventory report, and the NC.</li> <li>■ The technical review report of the BR and any other relevant review reports of the annual GHG inventory and NC.</li> <li>■ Supplementary information on the achievement of the Party's quantified economy-wide emissions reduction target, including on the role of LULUCF, and carbon credits from market-based mechanisms.</li> <li>■ Questions in advance.</li> </ul>	<ul style="list-style-type: none"> <li>■ BUR</li> <li>■ Summary report of the technical analysis of the BUR</li> <li>■ Questions in advance</li> </ul>
Chairing	The SBI Chair presides over the proceedings of the MA working group session and the FSV workshop. In the event that the SBI Chair is not available, the Vice-Chair or the Rapporteur of the SBI may, on his behalf, preside over the MA working group session and the FSV workshop.	
Time allocation	During the SBI working group session, all Parties under MA may make a brief oral presentation that will be followed, as necessary, by an oral Q&A session that may last for an average of 1 hour to a maximum of 2 hours.	<p>The workshops comprise 3-hour sessions. Each session covers up to five Parties (in alphabetical order), and each Party will be allocated 35 minutes on average, as follows:</p> <ol style="list-style-type: none"> <li>a. <b>Opening.</b> 1 minute each to introduce each Party</li> <li>b. <b>Presentation.</b> 15 minutes per Party on average to present their BUR</li> <li>c. <b>Q&amp;A.</b> 20 minutes per Party on average after each presentation</li> </ol> <p>In the event that the Party undergoing an FSV receives no or very few questions, the total time allocated to that Party can be shortened. Upon completion of the Q&amp;A session for one Party, the next Party is invited to begin its presentation.</p>
Participants	Following the practice of the SBI for similar events, the MA working group session or the FSV workshop is open to Parties and observers. However, only Parties can pose questions and seek clarification. The sessions also are webcasted and made publicly available on the Secretariat's website.	
Language	The working language for the presentation being delivered by Parties and the question and answer process is English. There is no interpretation for the multilateral assessment working group session or the facilitative sharing of views workshop.	

## APPENDIX C: MODALITIES OF THE MA AND FSV UNDER THE CURRENT UNFCCC TRANSPARENCY ARRANGEMENTS (continued)

MAIN TOPICS	MULTILATERAL ASSESSMENT (MA)	FACILITATIVE SHARING OF VIEWS (FSV)
Questions in advance	The preparation of the MA covers a 3-month period of Q&A among Parties via the MA portal and should be completed prior to an SBI session. The Q&A application allows all 197 Parties to the Convention to submit written questions electronically to the Party under MA, based on the national reports and their review reports. This question period is open for 1 month. Following this, the Party under the MA will respond to these questions within 2 months. All questions and responses submitted by Parties are tracked, compiled, and published by the Secretariat and can be accessed via the respective Party pages.	Parties can submit written questions in advance of the FSV workshop. The submission of written questions is done via the FSV portal.
Output	The final stage of the MA is the publication of a Party record for each country. This includes the technical review reports, an SBI summary report, Q&A compiled for each Party through the portal, and the observation made by the Party within 2 months after the SBI working group session for the MA.	Records of the FSV, summarizing the presentation by a Party and corresponding Q&A, are prepared, under the guidance of the SBI Chair, for each Party undergoing the FSV. This, together with the summary report, constitutes the final output of the ICA for each Party and is made available on the UNFCCC website.

Source: Authors.

## APPENDIX D: NUMBER OF QUESTIONS ASKED AT MA SESSIONS

	MULTILATERAL ASSESSMENT (MA) SESSION	PARTIES UNDER MULTILATERAL ASSESSMENT (MA)	TOTAL QUESTIONS	AVERAGE QUESTIONS PER PARTY
First round of IAR	SB41, Lima (2014)	17	264	16
	SB42, Bonn (2015)	24	332	14
	SB43, Paris (2015)	2	55	28
	<b>Total</b>	43	651	15
Second round of IAR	SB45, Marrakech (2016)	24	258	11
	SB46, Bonn (2017)	17	236	14
	<b>Total</b>	41	494	12

Source: Compiled from Wang 2016b and Bubniene and Colerio 2017.

## ENDNOTES

1. According to Article 13, broadly speaking and specifically conveyed in paragraph 1 of this article.
2. In general, this paper assumes the review process will be based on information reported in a single BTR (or an NC, when those cycles align). The use of "BTR" throughout this paper does not preclude any title or acronym that Parties may decide to use in the development of the Paris Agreement transparency framework. For more on how Parties will report information, see Elliott et al. 2017.
3. Elliott et al. 2017.
4. UNFCCC 2015b, Annex, Article 13, paras 5 and 6.
5. Dagnet et al. 2017.
6. In keeping with Article 2 of the Paris Agreement—which notes that the Agreement "will be implemented to reflect equity and the principle of common but differentiated responsibilities and respective capabilities, in the light of different national circumstances"—Article 13.2 notes that the "transparency framework shall provide flexibility in the implementation of the provisions of this Article to those developing country Parties that need it in the light of their capacities."
7. Later in the paper, the authors will unpack which information will have to be mandatorily reviewed and what could be reviewed in a voluntary or flexible manner.
8. Raustiala 2001.
9. Dagnet et al. 2017.
10. UNFCCC 2015b, Annex, para 91, notes that the Ad Hoc Working Group on the Paris Agreement will develop the requisite MPGs by COP 24, to be held in December 2018.
11. For instance, India stated that the ICA process should be less arduous than that of the IAR, and Indonesia and Brazil expressed the belief that the ICA should not place a burden on Parties (IISD 2011). In addition, developing countries expressed the need for developed countries to provide adequate financial support for the implementation of the ICA in their opening statements at the SBI meeting in Doha (IISD 2012).
12. For instance, the use of tiers for the production of national inventories as reflected in the various IPCC inventory guidelines.
13. Furthermore, decision 1/CP.21 launched the Capacity-Building Initiative for Transparency (CBIT) (UNFCCC 2015b, para 86–88), to be funded through the Global Environment Facility (GEF). The 50th meeting of the GEF Council in June 2016 decided to establish a new trust fund for the CBIT (GEF 2016a) and provided programming directions (GEF 2016b).
14. It is envisaged that the CBIT will play a key role in coordinating several initiatives aimed at building the capacity of developing countries with regard to transparency in order to be effective and maximize synergies (Winkler et al. 2017).
15. Dagnet et al. 2014.
16. UNFCCC 2017a.
17. Appendix A provides more detailed information on these processes.
18. UNFCCC 2014a, Annex, para 118.
19. UNFCCC 2014a, Annex, para 104.
20. UNFCCC 2014a, Annex, para 104.
21. The authors acknowledge that these challenges can arise on reporting as well.
22. This could become more difficult as developing countries more deliberately integrate risk management considerations into broader development portfolios.
23. UNFCCC 2017b.
24. The current system allows Parties to report transparently on how they define key terms related to support, both as provided in the original BR guidelines and further amended in recent SBSTA decisions.
25. Kato and Ellis 2016. By "transparent," we mean that limited underlying data or information on the approach/methodology and assumptions used are provided.
26. Kato and Ellis 2016.
27. Examples of methodologies developed (for voluntary use) outside UNFCCC that have a broader scope include the GHG Protocol Policy and Action Standard 2014 and GHG Protocol Mitigation Goal Standard 2014.
28. Pulles 2016.
29. UNFCCC 2014a, Annex, para 116.
30. Annex II Parties are the OECD members of Annex I, with the exception of economies in transition.
31. UNFCCC 2011a, para 58(d).
32. See WTO 2017b.
33. Pulles 2016.
34. UNFCCC 2014a.
35. See Lehtonen 2005 and Ellis et al. 2011.
36. See van Asselt and Hale 2016 and also reflected in in-depth review reports for NCs.
37. UNHRC 2007, Annex, para 15(c). "Parties have never used this provision, for fear of deviating from the consensus process to a confrontational one, leaving the Implementation Committee to rely entirely on self-reported data." See also Bafundo 2006, 489, and van Asselt and Hale 2016.
38. Chaisse and Matsushita 2013, 21.
39. IMF 2015, 42.
40. By "supplier of data" we mean those companies or organizations generating and expected to provide some of the data the government or its designated agency needs to fulfill with the reporting requirements.
41. Especially from some companies—due to competitiveness.
42. UNFCCC 2014a, Annex, paras 13–14.
43. UNFCCC 2017k.
44. UNFCCC 2015b, para 90, notes that Parties, minus explicit exceptions, shall report no less frequently than biennially. UNFCCC 2015b, Annex, Article 13, para 11, notes that information submitted under Article 13, para 7 and 9, will undergo the TER. Hence, because this information is submitted biennially and is required to be reviewed, it is likely that the information will be reviewed biennially as well.
45. Some NDCs could require more complex and comprehensive information to be fully verified. See also Dagnet et al. 2014.
46. UNFCCC 2015b, para 89, states, "... developing country Parties shall be provided flexibility in the implementation of the provisions of that Article [Article 13], including ... in the scope of review, and that the scope of review could provide for in-country reviews to be optional."

47. UNFCCC 2014a, Annex, para 63.
48. Jacoby et al. 2017.
49. Care should be taken to ensure the information provided is nonpartisan and does not necessarily push the ideology or interest of a specific organization or aim to derive institutional or personal benefits from sharing such information.
50. See, for example, Bubniene and Colerio 2017.
51. The workload for reviewing Parties varies by review type. On average, an in-country review requires about 153 working days, while a centralized review requires about 83 working days. See Pulles 2016.
52. UNFCCC 2016f.
53. UNFCCC 2016d.
54. UNFCCC 2017f. "Updated" refers to experts who have more recently been confirmed in the roster of experts.
55. Annex I Party nominees basically need their employer to pay for this. As it is often the government, in recent years, this has probably been challenging in most Annex I countries.
56. UNFCCC 2015c, para 22, and UNFCCC 2016d, para 18.
57. Experts would act in their own capacity and not represent the view or political position of their countries or the interest of their organizations.
58. See UNFCCC 2014b and UNFCCC 2014c.
59. UNFCCC 2015a, para 9.
60. UNFCCC 2016d, para 55.
61. UNFCCC 2014a, Annex, paras. 27–30.
62. The training courses are outlined in UNFCCC 2014b and UNFCCC 2014c.
63. Experts would act in their own capacity and not represent the view or political position of their countries or the interest of their organizations.
64. UNFCCC 2013a, Annex, para 5.
65. UNFCCC 2014d, para 1.
66. UNFCCC 2016b, para 6.
67. UNFCCC 2016b, para 13.
68. UNFCCC 2016d, para 5.
69. UNFCCC 2015c, para 20.
70. UNFCCC 2014a, Annex, para 42.
71. UNFCCC 2014a, Annex, para 43.
72. UNFCCC 2014a, Annex, para 57.
73. UNFCCC 2014a, Annex, para 94.
74. Fransen 2009, 8.
75. UNFCCC 2017h.
76. Lehtonen 2005, 179.
77. McMahon and Johnson 2016.
78. UNFCCC 2017h.
79. NCs, BRs, and BURs.
80. UNFCCC 2017h.
81. UNFCCC 2013a, Annex, para 15(c).
82. UNFCCC 2013b, para 50(i) includes the following requirement: "National Inventory Reports shall include: (i). Information on changes in response to the review process."
83. Briner and Moarif 2016, 27.
84. For more on linkages between the enhanced transparency framework and other provisions of the Paris Agreement, see Dagnet et al. 2017.
85. For a status of BUR submissions, see UNFCCC 2017j. For a discussion, see Ellis and Moarif 2015.
86. UNFCCC 2016a and UNFCCC 2017c. See Elliott et al. 2017 for a further discussion of the untimely submission of reports.
87. UNFCCC 2013a, Annex, paras 9–10, and UNFCCC 2014a, Annex, paras 17 and 90.
88. UNFCCC 2017c.
89. See also Huang 2016.
90. See, for example, UNFCCC 2016a and UNFCCC 2017c.
91. Which includes the set of information requested under Article 13 to be reported every two years and which parties already report every two years.
92. This is based on Parties' biennial reporting. If, due to individual capacities and national circumstances, Parties do not report biennially, the review cannot occur biennially. Biennial reporting and review reflects the aims of the Paris Agreement; however, it will likely take time for all Parties to develop the capacity to meet this goal.
93. Elliott et al. 2017.
94. Elliott et al. 2017.
95. See UNFCCC 2017i.
96. See UNFCCC 2017d.
97. UNFCCC 2011a, Annex II, para 3(b).
98. UNFCCC 2011a, Annex II, para 8(a–b).
99. UNFCCC 2016f.
100. UNFCCC 2017e.
101. For a count of questions asked during the MA sessions, see Appendix D.
102. For a more detailed discussion of these modalities, see Appendix C.
103. Deprez et al. 2015, 12, and Briner and Moarif 2016, 31.
104. Wang 2016b.
105. UNHRC 2008.
106. UNFCCC 2015b, Article 13, para 4.
107. Parties may decide to not disclose the information about the access.
108. See, for example, UNHRC 2017.

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## ABBREVIATIONS

<b>BR</b>	Biennial report	<b>MRV</b>	Measurement, reporting, and verification
<b>BTR</b>	Biennial transparency report	<b>NAP</b>	National Adaptation Plan
<b>BUR</b>	Biennial update report	<b>NAPA</b>	National Adaptation Programme of Action
<b>CBIT</b>	Capacity-Building Initiative for Transparency	<b>NC</b>	National Communication
<b>COP</b>	Conference of the Parties	<b>NDC</b>	Nationally determined contribution
<b>FD</b>	Facilitative dialogue	<b>NGO</b>	Nongovernmental organization
<b>FMCP</b>	Facilitative, multilateral consideration of progress	<b>NIR</b>	National inventory report
<b>FSV</b>	Facilitative sharing of views	<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>GEF</b>	Global Environment Facility	<b>PACT</b>	Project for Advancing Climate Transparency
<b>GHG</b>	Greenhouse gas	<b>PCCB</b>	Paris Committee on Capacity-Building
<b>GST</b>	Global stocktake	<b>Q&amp;A</b>	Question and answer
<b>HRC</b>	Human Rights Council	<b>SBI</b>	Subsidiary Body for Implementation
<b>IAR</b>	International assessment and review	<b>SBSTA</b>	Subsidiary Body for Scientific and Technological Advice
<b>ICA</b>	International consultation and analysis	<b>SIDS</b>	Small Island Developing States
<b>IMF</b>	International Monetary Fund	<b>TACCC</b>	Transparency, accuracy, completeness, consistency, and comparability
<b>INDC</b>	Intended national determined contribution	<b>TER</b>	Technical expert review
<b>IPCC</b>	Intergovernmental Panel on Climate Change	<b>TPRB</b>	Trade Policy Review Mechanism
<b>LDC</b>	Least Developed Country	<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>LULUCF</b>	Land use, land-use change, and forestry	<b>UPR</b>	Universal Periodic Review
<b>MA</b>	Multilateral assessment	<b>WRI</b>	World Resources Institute
<b>MOP</b>	Meeting of the Parties	<b>WTO</b>	World Trade Organization
<b>MPGs</b>	Modalities, procedures, and guidelines		



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The Project for Advancing Climate Transparency (PACT) is made up of experts from developing and developed countries working together to advance the design of robust and effective transparency and accountability rules and processes for the Paris Agreement on climate change.

PACT facilitates the development of options and approaches; facilitates relevant and timely inputs to the UNFCCC negotiations; and provides space to build consensus among Parties through research, international meetings, and enhancement of domestic capacity of developing countries. To learn more about the PACT consortium's work, please [visit http://www.wri.org/pact](http://www.wri.org/pact).



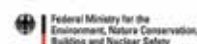
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