

“Building Armenia’s National Transparency Framework
under Paris Agreement” UNDP-GEF Project/00110252

Training Day 2 | Session 7

Requirements for Tracking NDC Implementation under Article 13 of the Paris Agreement

- Session Structure

Section 1

Introduction to section

Section 2

Presentation (20 minutes)

Section 3

Break-out rooms for group assignment (20 minutes)

Section 4

Discussion (10 minutes)

Section 5

Presentation Q&A and close (5 Minutes)

Section 1

Introduction to section

The Trainers

Andreas Biermann



Andreas is a climate finance and mitigation professional with extensive technical expertise, a wide experience and a focus on climate change and climate finance.

With a long track record in managing the development of GCF and GEF projects for EBRD, followed by two years as Deputy Director for Mitigation at the Green Climate Fund he is widely recognised for his ability to work with governments and development partners in bringing green and sustainable finance to the fore, delivering real environmental change through the provision of new financing options.

During his career, Andreas has worked with numerous governments and multilateral agencies across the world and in very diverse country contexts with a strong focus on the transition region.

Andreas is currently an MSc candidate at the School of Oriental and African Studies in London (UK). His thesis project focuses on the interaction between climate and national development policies in Armenia

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The Trainers

Tigran Sukiasyan



Tigran is an experienced project manager, mentor, fundraiser and capacity building expert with 20 years experience (at domestic and international level) in developing, implementing and monitoring projects with major donor agencies, international organizations and climate funds, including the Green Climate Fund, Adaptation Fund, and the United Nations Development Programme (UNDP).

He is currently focusing on issues of climate resilience and green finance through number of engagements aimed at structuring collaboration frameworks, identification of projects and proposal development.

Since 2018 he has been part of critical assignments leading essential work with private sector entities to identify support priorities and projects, providing mentorship and executive trainings to civil servants responsible for project formulation in the climate domain.

Based in Yerevan, Tigran is collaborating with Globalfields for the expansion of green banking support in the eastern Europe, the Caucasus and Central Asia.

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Day 2 Specific MRV Approaches with Reference to Armenia



Session 2
Requirements for Tracking NDC
Implementation under Article 13
of the Paris Agreement

Trainers: Tigran
Sukiasyan/Andreas Biermann

Content Overview

- Overview of institutional structure in the context of building and functioning of MRV system of climate action and support: elements and sustainability
- Existing institutional arrangements relevant for comprehensive MRV system in Armenia
- Also discussion of institutional arrangements for adaptation tracking

- The complex and multi-layered reporting infrastructure is reflected in a complex institutional set-up in Armenia.
- Coordination and cooperation of reporting institutions and recipients of climate finance is critical, in order to enable Armenia to fulfil the requirements of transparency outward, but also to support the generation of projects and project finance support inwards.
- The critical element of this session is to provide insight into the big picture, how the reporting, access and ability to deploy climate finance are all interrelated
- Understanding of the complexity as well as the opportunity from putting in place robust reporting systems is required to be able to deliver the commitments under the NDC, recent commitments made in Glasgow on Methane and Forestry, and the NAP.

MRV State of the Art in Armenia

Development of Background Information for Climate
Change Monitoring, Reporting and Verification (MRV)
Platform Design

Final Report for UNDP-GEF Project (CBIT Project)

March 2022



Section 2



Presentation

Requirements for Tracking NDC
Implementation under Article 13 of
the Paris Agreement – the basic
situation

Question Time?

Is there a formal review of NDC implementation progress?

Reporting NDC Progress, UNFCCC reviews?

UNFCCC provides a synthesis report on progress of NDCs:

- This report is a consolidated report not identifying individual countries.
- The report is generic and does not analyse delivery against the NDC

Submissions will be reviewed by technical experts (TER).

II. Mandate

39. Under Article 4, paragraph 2, of the Paris Agreement, each Party is to prepare, communicate and maintain successive NDCs that it intends to achieve. The communicated NDCs are to be recorded in a public registry maintained by the secretariat.¹⁵

40. COP 21 invited Parties to communicate their first NDC no later than when the Party submits its respective instrument of ratification, acceptance or approval of or accession to the Paris Agreement. A Party is also considered to have satisfied this provision, unless the Party decides otherwise, if it had communicated an INDC prior to becoming a Party to the Paris Agreement.¹⁶

41. COP 21 requested Parties whose INDC pursuant to decision 1/CP.20 contains a time frame:

(a) Up to 2025: to communicate by 2020 a new NDC, and to do so every five years thereafter pursuant to Article 4, paragraph 9, of the Paris Agreement;

(b) Up to 2030: to communicate or update by 2020 their NDC, and to do so every five years thereafter pursuant to Article 4, paragraph 9, of the Paris Agreement.¹⁷

42. COP 21 decided that Parties shall submit their NDCs to the secretariat at least 9–12 months in advance of the relevant CMA session with a view to facilitating the clarity, transparency and understanding of the NDCs, including through a synthesis report prepared by the secretariat.¹⁸

43. Recalling that decision, CMA 2 requested the secretariat to make the synthesis report available to COP 26.¹⁹

Reporting NDC Progress, which Guidelines?

- The enhanced transparency framework requires that all Parties track and report progress in implementing their nationally determined contributions (NDCs) (UNFCCC 2015, Article 13.7(b))
- It seeks to enhance the transparency arrangements under the Convention (Art.13.3) by providing additional guidance.
- Decision 1/CP.21 asks that the MPGs could consider the importance of facilitating improved reporting and transparency over time (paragraph 92(a)) and the need to ensure that parties maintain at least the frequency and quality of reporting in accordance with their obligations under the Convention (paragraph 92(e)).
- There are no agreed guidelines for a common reporting format of NDC implementation progress.
 - At SBSTA.50 (2019) a co-facilitator informal note was published that provided a draft reporting framework for mitigation activities, but this document was not adopted. (Agenda Item 10(b))
 - At SBSTA.52 (2021) a co-facilitator informal note was published that provided a draft reporting framework for support received, but this document was not adopted. (Agenda Item 14(c))
 - As this is work in progress, it will be necessary for Armenia to closely follow the discussions and assume that minimal information such as that contained in the paper may become necessary.

Reporting NDC Progress, which Guidelines?

The ETF thus provides:

- A differentiation between:
 - Action and
 - Support
- One framework covering all parties but with “built-in flexibility” (Art.13.1):
 - This is different from the previous UNFCCC system which set out differentiated reporting obligations for developed/developing country parties who may need it in the light of their capacities.
 - It builds on existing arrangements (Art.13.3 and Art.13.4), e.g. the MRV arrangements developed under the UNFCCC (Cancun Agreements) and the Kyoto Protocol. Like these, it will consist of two elements:
 - reporting and
 - review.
 - In terms of **reporting**, parties will continue to report every two years (starting from 2024) on their efforts and produce GHG inventories.
 - In terms of **review**, the previous technical expert reviews and multilateral party-to-party reviews were transposed into the new framework.

Reporting NDC Progress, which Guidelines?

In terms of reporting the Paris Agreement states that:

- Each party **shall** regularly provide:
 - information necessary to track progress made in implementing and achieving its NDC (Art.13.7(b)).
- Thus, developing countries need to report information on progress made implementing and achieving NDCs.
- Beyond this, it still has to be decided what the requirements in terms of reporting content.
- To help developing country parties meet transparency-related obligations and build their capacity additional support is provided (Art.13.14 and Art.13.15).
- The Capacity-building Initiative for Transparency (CBIT), is helping to strengthen institutional and technical capacity under Decision 1/CP21, paragraphs 84 and 85.

Excerpt of informal co-facilitators' paper – not adopted

SBSTA 50 agenda item 10 (b)	
Option 2:	
Common tabular formats table	
Mitigation policies and measures, actions and plans, including those with mitigation co-benefits resulting from adaptation actions and economic diversification plans	
Information shall be provided, to the extent possible (para. 82(a-i) of MPGs)	Name:
	Description:
	Objectives:
	Type of instrument: ^a
	Status: ^b
	Sector(s) affected: ^c
	Gases affected:
	Start year of implementation:
Information may be provided (para. 83(a-c) of MPGs)	Implementing entity or entities:
	Costs: ^d
	Non-GHG mitigation co-benefits: ^e
Information shall be provided, to the extent possible. Those developing country Parties that need flexibility in the light of their capacities are encouraged to report such information (para. 85 of MPGs)	Information on interactions of mitigation actions: ^f
	Estimates of expected and achieved GHG emission reductions (not cumulative in kt CO ₂ eq): ^g
	Target year(s) or period(s):
	Other year(s): ^h

Reporting NDC Progress, external reviews?

Some countries benefit from external review of their NDC:

- This can provide insight into:
 - ✓ Appropriateness of level of ambition.
 - ✓ Policy coherence.
- Normally reserved for major emitters and key countries in the process
- Undertaken according to proprietary guidelines

COUNTRIES WE DON'T ANALYSE					
SUBMITTED A NEW TARGET					
ALBANIA	CAMEROON	GUINEA-BISSAU	MALI	PANAMA	TAJIKISTAN
ANDORRA	CENTRAL AFRICAN	HONDURAS	MARSHALL ISLANDS	PAPUA NEW GUINEA	TANZANIA, THE UNITED
ANGOLA	REPUBLIC	ICELAND	MAURITANIA	PARAGUAY	REPUBLIC OF
ANTIGUA AND	CHAD	IRAQ	MAURITIUS	QATAR	TOGO
BARBUDA	COMOROS	ISRAEL	MOLDOVA (THE	RWANDA	TONGA
ARMENIA	CONGO	JAMAICA	REPUBLIC OF)	SAINT KITTS AND NEVIS	TUNISIA
BAHRAIN	CONGO (THE	JORDAN	MONACO	SAINT LUCIA	UGANDA
BANGLADESH	DEMOCRATIC REPUBLIC	KOREA (THE	MONGOLIA	SAMOA	UZBEKISTAN
BARBADOS	OF THE)	DEMOCRATIC PEOPLE'S	MONTENEGRO	SAO TOME AND	VANUATU
BELARUS	CUBA	REPUBLIC OF)	MOZAMBIQUE	PRINCIPE	VENEZUELA
BELIZE	DOMINICAN REPUBLIC	KUWAIT	MYANMAR	SENEGAL	(BOLIVARIAN REPUBLIC

Reporting NDC Progress, Conclusions

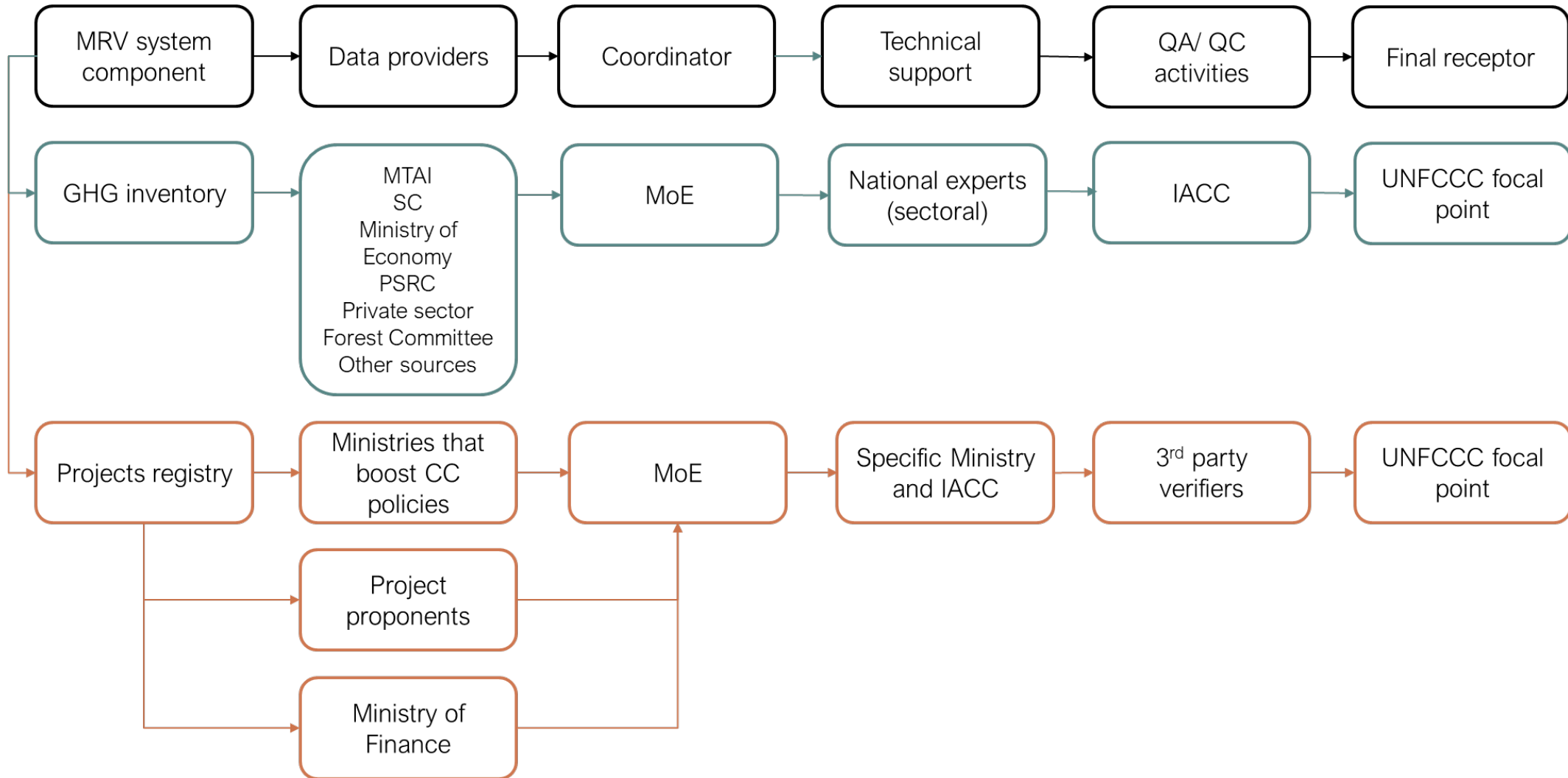
- UNFCCC Reviews
 - There is no mandated review of progress under the NDC.
 - Technical expert reviews will continue.
 - No guidelines for implementing the Paris Agreement mandated reporting have been adopted.
 - Synthesis report does not cover individual countries
- External reviews
 - Some countries have their NDCs reviewed for ambition, but not achievement
 - It is possible that in future years countries' performance against the NDC will also be reviewed – but we are not there yet
- Considerations for Armenia
 - The lack of guidance on what and how to report NDC progress leaves a void when it comes to organising a fit-for-purpose MRV system
 - This is a continuing challenge that will become more relevant as more action is taking place, but without clarity on how to track its impact
 - Some high-level tracking will be possible through national GHG accounting to agreed standards but this will be a challenge to link to the NDC

Requirements for Tracking NDC
Implementation under Article 13 of
the Paris Agreement – the
Armenian situation

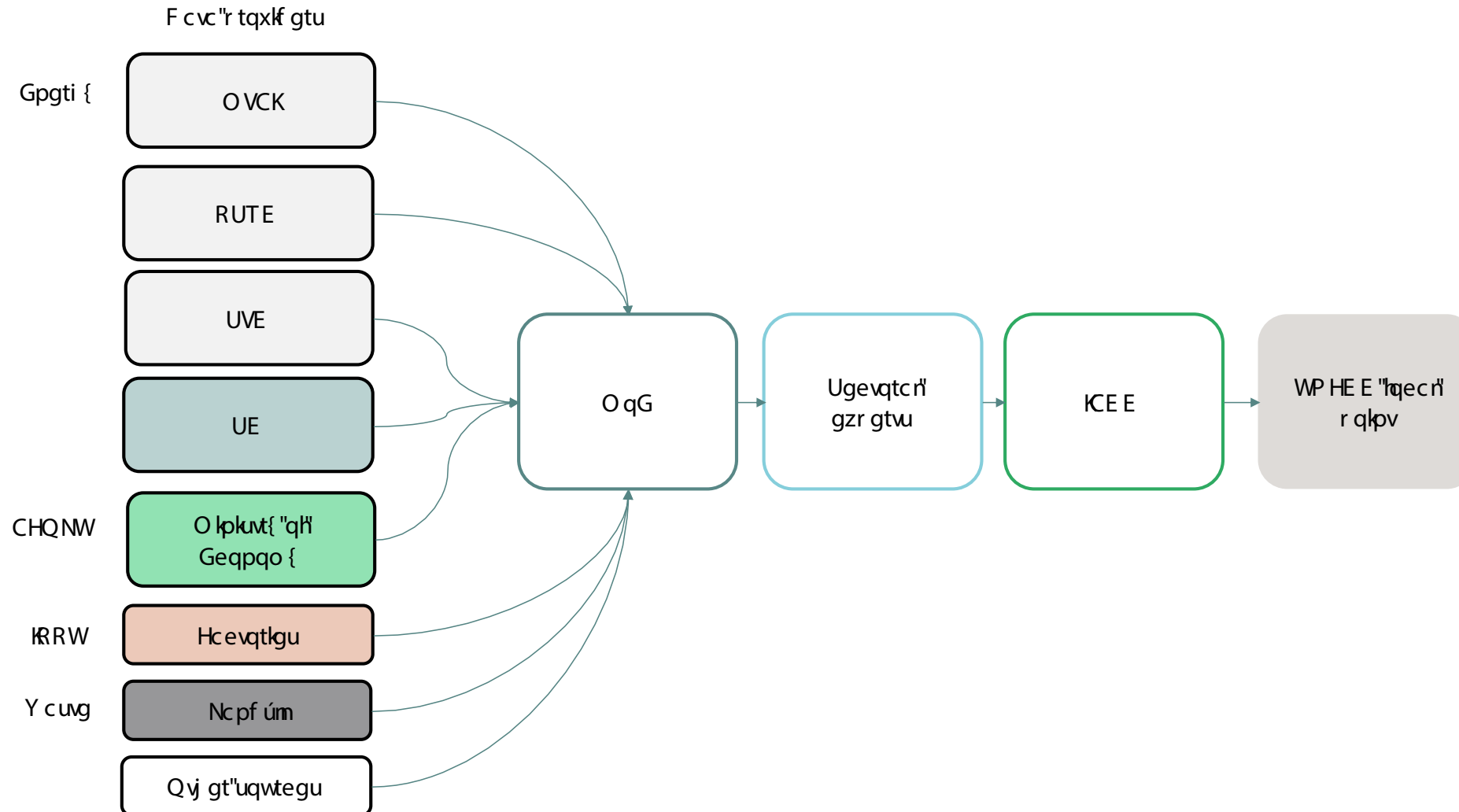
Key institutions responsible for MRV in Armenia

- **Ministry of Environment (MoE)** – policy formulation and fulfillment commitments under UNFCCC, including NCs, BURs and inventories. Designate focal point under the UNFCCC.
- **Ministry of Territorial Administration and Infrastructures (MTAI)** – water sector policy, energy balance, including consumption by industry sector and gas.
- **Ministry of Finance (MoF)** – public expenditures and budgeting issues.
- **Ministry of Economy (MoEc)** – responsible for agricultural policy and tracing matters related to the latter.
- **State Revenue Committee (SRC)** – data provider related to Ozone depleting substances use for GHG inventory.
- **Cadaster Committee (CC)** – land policy and data.
- **Public Services Regulatory Commission (PSRC)** – data on gas.
- **Inter-Agency Coordination Council (IACC)** – coordination of fulfillment of obligations under the UNFCCC. 3 working groups under the Council – 1) on national reporting commitments under the UNFCCC, 2) on climate mitigation and adaptation, and 3) on financing issues.
- **Statistics Committee (SC)** - contributes substantially to the work carried out by the MoE regarding the inventory of GHG emissions, as one of the main providers of information.

Existing institutional arrangements for MRV in Armenia



Existing institutional arrangements for GHG Inventory



MRV institutional framework in Armenia – Gaps and solutions

Gap	Recommendation
<p>Legal arrangements are still needed to specify particular obligations of corresponding institutions in terms of climate-related data provision and quality assurance as well as policies, projects and measures reporting</p>	<p>Institutional arrangements as well as specific obligations of the different actors involved must be established through the law. It is recommended to take as a basis the institutional mapping done under the framework of this project to establish institutional arrangements</p>
<p>The IACC is not considered to be robust enough to deal broadly with climate policy issues, nor are the activities defined to address the issues adequately. The decree does not establish MRV tasks of the actors involved. Most of the topics would be included in working group 2, however, by not establishing working groups by sectors, , the decree is considered subjective, and this may represent an obstacle to the fulfillment of objectives.</p>	<p>It is proposed to include sectoral working subgroups that address both mitigation and adaptation, as well as financing in a cross-cutting manner. Groups should also contemplate inventory quality control and monitoring functions in NDC compliance.</p> <p>The IACC should be able to track the operation of the MRV system. It is important that the IACC integrates experts on a permanent basis to address issues by sector and that civil society, academia and the private sector are taken into account, as they could provide inputs to the system and identify gaps and needs in climate policies, as well as to help in solving them. For this, it is important to determine what the participation of the “invited” will entail (according to the Decree N719-A), even if they are not members of the council.</p>

Question Time?

Who is in charge of NDC reporting in Armenia?

NDC Progress Tracking in Armenia

NDC tracking should reflect the balance between emissions from the inventory and reductions achieved from mitigation and adaptation actions and should be able to provide the status of NDC compliance.

NDC tracking must refer to unconditional target: 40% reduction below 1990 emissions levels, to be achieved in 2030.

This should be done through

- **MRV platform.**
- **Project registry** (linked with the national inventory of GHG emission).
- **Transaction registry** (linked to the project registry) – to track units generated, traded, purchased and cancelled.

Other transparency instruments

- Biannual development of National Greenhouse Gas Emissions Inventory.
- BURs and BTRs (from 2024 – mitigation only?).
- Participatory process for NDC review and public consultation mechanism during preparation of next NDCs.
- Better cooperation between public bodies and CSOs.

Country Comparators – Georgia and South Africa

Country Comparator - Georgia

Current assessment of Georgia's MRV System:

- Georgia has successfully established a national system for MRV of GHG emissions
- Objective is to capture:
 - GHG emissions
 - Sustainable development and co-benefits
 - Financial flows
- Highlights of the system:
 - Building organically on CDM and NAMA MRV systems
 - Located in Ministry of Environment and Agriculture as climate focal point
 - Based on integrated training programme of all stakeholders, public, private, NGOs
 - Phased approach, involves capacity building, and with high-level political backing

Country Comparator - Georgia

The NDC and Georgia's MRV System:

- As the Georgian system is phased, not all elements are at the same stage
- Climate finance (support received and needed) is at an earlier stage and needs more work.
- Challenges:
 - Unlike GHG emissions there is no international framework for finance tracking
 - Different institutions use different definitions
 - Climate finance needs to be fully integrated in other reporting as there is a feedback loop
- This results in:
 - Lack of full understanding of climate finance flows, national and international, in Georgia
 - Lack of ability to raise finance if flows cannot be adequately tracked

Country Comparator – South Africa

Current assessment of South Africa's MRV System:

- South Africa is building on a well-developed, decade-old GHG reporting system
- Requirements for NDC tracking:
 - Definition and adoption of indicators
 - Legislation put in place
 - Transparent reporting
- Issues:
 - Lack of socio-economic data on outcomes (co-benefits)
 - National policy needs to be adapted
 - Data collection needs to be comprehensive

Section 3

Group Assignment

Group Assignment

Discuss the challenges of reporting under the Paris Agreement for Armenia:

- Group 1: Measures
 - Guiding ideas
 - Who will collect data?
 - How to handle data from measures that do not report to common guidelines?
- Group 2: Support
 - What data should be collected?
 - What does the data tell us?
 - Who will collect the data?

There are no 'right' or 'wrong' answers!

Section 4



Discussion

Group Assignment - Feedback

Discuss the challenges of reporting under the Paris Agreement for Armenia:

- Group 1: Feedback
- Group 2: Feedback

There are no 'right' or 'wrong' answers!

Section 5

Q&A and Closing

References

Selected references pertaining to this session

References

Climate Action Tracker	2022	Climate Target Tracker Update
Transparency Partnership	2019	National Benefits of Climate Reporting: The MRV System of Georgia
UNDP	2022	Development of Background Information for Climate Change Monitoring, Reporting and Verification (MRV) Platform Design
UNFCCC	2019	Common tabular formats for the electronic reporting of the information necessary to track progress made in implementing and achieving nationally determined contributions under Article 4 of the Paris Agreement - Informal Note by the Co-Facilitators
UNFCCC	2020	Technical Handbook: Preparing for implementation of the enhanced transparency framework under the Paris Agreement
UNFCCC	2021	NDC Synthesis Report: https://unfccc.int/news/full-ndc-synthesis-report-some-progress-but-still-a-big-concern
UNFCCC	2019	Common tabular formats for the electronic reporting of the information necessary to track progress made in implementing and achieving nationally determined contributions under Article 4 of the Paris Agreement - Informal Note by the Co-Facilitators
Ross & Winkler	2021	Effective Tracking of nationally determined contributions: A case study on South Africa