



COMMENTS ON DEVELOPED COUNTRY MONITORING, REPORTING & VERIFICATION (MRV) AND INTERNATIONAL ASSESSMENT & REVIEW (IAR)

On behalf of: Natural Resources Defense Council

Having a strong, credible, and transparent system for tracking greenhouse gas emissions and the actions of a country is an essential building block of an effective international system to address climate change. The Cancun Agreements¹ decided to build upon and strengthen the existing monitoring, reporting, and verification system (MRV) and the international assessment and review (IAR) process for developed countries. This is a welcome development which will build further confidence that all countries are taking concrete steps to meet their commitments. For developed countries, this would ensure a common minimum level for their monitoring and reporting.

Having a robust, transparent, and accountable system benefits all countries. For countries that are taking action, such a system will help them get the legitimate recognition they deserve for their actions. It will also help the country with its own domestic implementation since having accurate, up to date, and credible information will provide countries with the basis to understand the impact of their policies and identify areas for more targeted effort. For countries that are on the front lines of the impacts of climate change, ensuring that the largest emitters are reducing their emissions as pledged is paramount to reducing the impacts that they'll feel.

These comments are in response to the request for views on these provisions related to developed countries in the Cancun Agreements.² They should be read in combination with our comments on *developing country MRV and international consultation and analysis*.

WHY WE NEED WELL-DESIGNED TRANSPARENCY & ACCOUNTABILITY PROVISIONS

Including strong transparency and accountability provisions are essential elements for assessing and ensuring the environmental performance of the international climate change system.

Effective environmental systems can provide answers to five key questions:

¹ Outcome of the work of the Ad Hoc Working Group on long-term Cooperative Action under the Convention, available at: http://unfccc.int/files/meetings/cop_16/application/pdf/cop16_lca.pdf

² See para 67.

1. *Where are we today?* For global warming, this is fundamentally about having information on the current and historic emissions of global warming pollution in the key countries.
2. *Where are we committing to go?* This is essentially a detailed commitment or law outlining what specific level of emissions a country stipulates that it will achieve.
3. *How well are we doing in making progress toward our environmental objective or commitment?* This is a regular, data driven assessment of a country's progress over time.
4. *Do we have confidence in these assessments?* Answering this question comes down to having detailed information on what went into that assessment (e.g., accuracy of the data, information on the underlying methodologies and assumptions), the transparency of the information (e.g., is it available to the public and in enough detail that people can judge for themselves the results), and some ability for outside and independent review. In a nutshell, do we have the information needed to believe in the assessments?
5. *What are the implications if we determine that we are off track?* The last aspect of the general framework for transparency and accountability applies to how the agreement addresses any shortfalls identified in answering the previous questions.

KEY MRV AND IAR PROVISIONS OF THE CANCUN AGREEMENTS: DEVELOPED COUNTRIES

The decision at Cancun of the Ad Hoc Working Group on long-term Cooperative Action Under the Convention (LCA) contained a number of key provisions on MRV and IAR for developed countries, including³:

1. More frequent reporting (para 40). Developed countries are to continue submitting annual greenhouse gas inventories and national inventory reports (NIRs). They are to provide biennial reports on their progress in achieving their quantified economy-wide emissions targets and on the assistance provided to developing countries. While the Cancun Agreements don't specify, it is assumed that full national communications will be conducted every 4 years.
2. Enhanced reporting, building upon existing guidelines (para 40 and 41). The biennial reports are to contain information on progress towards their economy-wide targets, emissions reductions achieved, projected emissions, and the assistance provided to developing countries. Under the Cancun Agreements developed countries are also required to "submit supplementary information on the achievement of quantified economy-wide reductions" (para 40).⁴ Guidelines are to be enhanced for this reporting, including the development of common reporting formats and methodologies for

³ These are summaries, the full agreed language and principles are contained in paragraphs 40-44. This submission doesn't directly speak to how the "low-carbon development strategies" should be implemented (as contained in paragraph 45).

⁴ Under the Kyoto Protocol, Annex I countries are to report supplementary information so this provision in the Cancun Agreements solidifies that requirement for all developed countries.

tracking finance reporting. These enhanced guidelines are to “ensure that information provided is complete, comparable, transparent, and accurate” (para 41).

3. Enhanced guidelines for review of national communications (para 42). Under the UNFCCC, each national communication from a developed country is subject to an "in-depth" review by an international team of experts. The Cancun Agreements build upon that existing review system and agree to develop stronger guidelines.
4. International assessment (para 44). In addition to the strengthened review provisions in the Cancun Agreements (para 42), the agreement decided to establish a process of “international assessment of emissions and removals related to quantified economy-wide emissions reductions targets”.

IMPROVING DEVELOPED COUNTRY MONITORING AND REPORTING: ENHANCED DEVELOPED COUNTRY GUIDELINES POST-CANCUN

The agreements in Cancun outlined some important parameters to build upon and improve the existing system for how developed countries track their emissions, make progress towards their targets, and provide assistance to developing countries. Building upon those agreements it is necessary to develop detailed implementation guidelines to strengthen the existing system and ensure delivery of the necessary information. Such guidelines should commit countries to:⁵

1. Ensure that annual emissions inventories include all sources of emissions and sequestration as outlined in the most recent guidelines from the Intergovernmental Panel on Climate Change (IPCC). The guidelines should also require that countries provide detailed information on their national arrangements, including what government entity is responsible for developing the inventory, what is the legal basis in the country for collecting and reporting the underlying information, what institutions have the responsibility for developing each component, how they collect data, and how they perform quality assurance and quality control (QA/QC).
2. Abide by a standard format for reporting on the use of market mechanisms and land-use, land-use change, and forestry (LULUCF). This reporting should contain transparent details on how a country reports its LULUCF emissions and what actions were counted as offsets by the country.⁶ In reporting this information, countries should be required to report supplemental information which outlines details on how offsets and LULUCF are:
 - a. defined, measured, reported, and verified;
 - b. implemented to ensure their environmental integrity; and
 - c. tracked to ensure that there is no double counting (e.g., individual serial numbers and international tracking procedures/tools).
3. Submit a biennial report that includes details on each country’s greenhouse gas emissions, a detailed description of mitigation actions planned and implemented, the implementation status of the country’s emissions reduction actions, and use of market

⁵ These comments were a part of NRDC’s recommendations before COP16, available at: <http://www.nrdc.org/globalwarming/files/trackingcarbon-fs.pdf>

⁶ For countries that currently are under the Kyoto Protocol these rules are being separately negotiated, but there should at least be a common reporting requirement for all countries.

mechanisms and LULUCF. Summary information on the emissions inventory data will be drawn from the annual inventory, while the reporting on emissions reduction actions should be reported:

- a. economy-wide since developed countries have undertaken targets for the emissions from all sectors;
 - b. with sufficient detail on the status of actions (e.g., this law was adopted on this date); and
 - c. with details on the impact of the measure(s) in reducing economy-wide emissions towards the country's commitment.
4. Detail how they perform quality assurance and quality control (QA/QC), including what institutions are responsible, the methodologies and procedures, and availability of information to the public.

ENHANCING DEVELOPED COUNTRY REVIEW AND DEVELOPING OPERATIONAL GUIDELINES FOR INTERNATIONAL ASSESSMENT AND REVIEW

The Cancun Agreements created an important means to work with countries to promote effective implementation of their commitments through the IAR process. Building upon, strengthening, and expanding the current system for developed countries is an important task for COP17. The current system of expert reviews conducted for developed country inventories and national communications provides a base from which to build enhanced review provisions. For each step of the process we recommend the following details be agreed:

1. Enhanced review by independent technical experts (“the Review”)⁷. The Cancun Agreements provisions for an enhanced review should be implemented by building upon the expert review by:
 - a. *Further codifying the existing expert review process* which includes an independent technical review by a body of experts, in-country and desk reviews, and a detailed analysis report made available to the public. Since the guidance on this review is scattered throughout various decisions, countries should adopt a single organized set of guidelines that compiles all the various decisions into one place.⁸
 - b. *Enhancing the guidelines to include a review of progress in meeting economy-wide emissions reduction targets and support provided to developing countries.* The current guidelines do not adequately require a review of these provisions so there is a need to update the guidelines to incorporate the new elements agreed in Cancun.
2. International assessment (the “assessment”).⁹ This assessment should help Parties assess the implementation and effectiveness of a country's economy-wide emissions reduction targets. The consultation should ensure each of the elements contained in the emissions

⁷ As agreed in paragraph 42 of the LCA Decision in Cancun.

⁸ Currently the guidance is contained in Decisions 2/CP.1, 9/CP.2, 6/CP.3, and 33/CP.7.

⁹ As agreed in paragraph 44 of the LCA Decision in Cancun.

inventories and the biennial report are thoroughly evaluated. This assessment should include:

- a. *An open session dialogue that is interactive and substantive.* The dialogue should be open to all Parties and observers. It should be structured so that: the country under “assessment” makes remarks detailing the summary of their emissions inventory and biennial report; results are presented on the technical analysis; other Parties are given a chance to ask questions of the emissions inventories, biennial report and the technical analysis by experts; and questions are answered (either verbally during the open session or written form shortly after the session).
- b. *A report developed on the open session which is made available to the public.* A report should be produced on the basis of the open session presentations, questions and answers, and any subsequent written material. All the material presented (either in open-session or in written format after the session) should be readily available to the public.

SUBMIT ANNUAL NATIONAL REPORTS ON FUNDING PROVIDED TO DEVELOPING COUNTRIES

Developed countries should improve the transparency, details, and frequency that they report assistance to developing countries in reducing deforestation and forest degradation emissions, deploying clean energy, and adapting to the impacts of climate change. Reporting of such information will be critical to ensuring increased trust that the resources are being mobilized, that the resources are being effectively mobilized on-the-ground, and that appropriate safeguards are being complied with. Such reporting should utilize a common reporting format to enable detailed, comparable, and accurate tracking of the support provided to developing countries. At a minimum the reporting should include information on the:

1. *Type of assistance* (e.g., funding, technical assistance, etc);
2. *Source of the assistance* (e.g., bilateral assistance, multilateral assistance, export development agency, etc);
3. *Amount of resources mobilized*;
4. *Location where the supported activity is occurring* (e.g., in a specific country or region);
5. *Activity supported* (e.g., deforestation reductions, clean energy deployment, or adaptation); and
6. *Environmental and social safeguards* (e.g., how they applied).

THE WORK AHEAD: WORK PLAN ON MRV AND IAR FOR 2011

Making progress on developed country MRV and IAR will be a critical component of delivering on the momentum from Cancun. Fundamental elements of these systems have already been agreed and implemented by developed country Parties so making further progress on the improved and strengthened agreed in Cancun is readily achievable. Therefore, at COP17 **in Durban, Parties should decide:**

- that the first biennial report for developed countries will be completed by 1 January 2014, with the option of countries reporting a preliminary biennial report earlier;¹⁰
 - on a detailed set of guidelines for the enhanced monitoring and reporting that make the Cancun Agreements fully operational. These guidelines should contain the operational details outlined in this submission;
 - on a consolidated guideline on developed country review which brings together all the separate decisions; and
 - on guidelines for how the international assessment will occur, including when the IAR process will occur on the first biennial reports.
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About NRDC

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¹⁰ This preliminary version could be done on the basis of it not being subject to the IAR provisions, but instead used as a way for countries to support early reporting and to help others learn from preliminary implementation.