

# WORLD SUSTAINABLE DEVELOPMENT SUMMIT 2020

## TOWARDS 2030 GOALS MAKING THE DECADE COUNT

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### Thematic track title:

**Transparency and Accountability in Global climate Governance:** *Needs,  
Challenges and Opportunities for India*

January 29, 2020, Wednesday | 14:30 – 16:30  
*Silver Oak 1, India Habitat Centre, New Delhi*

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The session was opened by **Shri R. R. Rashmi** (*Distinguished Fellow & Programme Director, TERI and Former Special Secretary, MoEF&CC, Govt. of India*). Shri. Rashmi stated that countries were required to give an inventory of emissions on a biennial basis called the Biennial Update Report (BUR) under the Convention rules. This reporting framework now sees an update requirement imposed on all countries including the developing countries that is based on principles of promoting transparency under the Paris Agreement. Under the new Enhanced Transparency Framework (ETF), all countries are required to file Biennial Transparency Reports (BTR) which include reporting on mitigation, but also includes reporting on action on adaptation, including all NDCs.

Along with the update in the reporting structure, he spoke on the difference between the old and new frameworks. He listed three key differentiation points including the need for reporting under the BTR has to be comprehensive, to be in context of targets as distinct from the BUR where there were no clear targets and relating to the guidelines of analysis of action that are reported under BTR. Shri. Rashmi also spoke on the various key characteristics of the report and followed with stating the key challenges now for developing countries are how to organise themselves for filing the BTRs while addressing issues such as those faced on the emissions side

because of lack of centralised agencies for collecting, monitoring, analysing or reporting the data.

**Vani Rijhwani** (*Research Associate, Earth Science and Climate Change Division, TERI*) further set context for the discussion with a presentation of the Indian perspective on the move towards the enhanced Transparency Framework under the Paris Agreement. She stated that transparency is a key requirement under the Paris Agreement relating to national reporting, followed by an overview of the ETF under which all countries are required to submit a BTR from 2024, which would undergo technical expert review (TER). In addition, each country would be required to participate in a facilitative, multilateral consideration of progress (FMCP) with respect to efforts, and its respective implementation and achievement of its nationally determined contributions (NDCs). Under this Framework, all parties are mandated to report on their Adaptation Actions, (Financial) Support needed and provided along with Mitigation actions. Overall the BTR acts as a reporting vehicle to provide information on the status, action and support; and would also act as a potential vehicle for Adaptation Communications.

India's national communications (NATCOMs) have seen significant improvements from 2004 to 2018. However, going further NATCOMs and BURs face challenges related to implementing and maintaining sustainable national institutions and arrangements for implementing Modalities, Procedures and Guidelines (MPGs). India's lack of stable and permanent institutional arrangements at the national level creates a barrier towards progressive reporting, often resulting in data gaps. This includes lack of availability of data in certain sectors, or consistent and properly sourced data; and, above all, absence of institutional capacities to develop country-specific emission factors and to perform uncertainty assessments. She summarised by stating that India needs to access institutional readiness for complying to the new ETF requirements and encourage systemic integration between relevant ministries and institutions for better coordination on quality, and the availability of activity data across sectors. Leveraging institutional capacities through multiple transparency-related support initiatives around the globe could also aid India with the process.

The discussion was then taken forward by **Thomas Spencer** (*Fellow, Earth Science and Climate Change Division, TERI*) who debated on India's Progress on Climate

Actions. He brought to light India's actions for achieving a 33-35% pledged reduction in emission by 2030, and related GHG emission to economic activity with reference to GHG emissions intensity of GDP. He emphasised on the need to understand not just how but also 'why' GHG intensities of economies change as this allows to understand future projections better, as well judge effectiveness of policies more thoroughly. Firstly, he pointed the fact that big spikes in GHG emissions relate to historic socio-economic events such as the spike in China in the 1960's corresponds to the Great Leap Forward. Secondly, he explained that all countries, developed and developing, follow a similar pattern with factors including economic efficiency brought on by liberalisation, structural changes with a shift in sector wise allocation and corresponding technical advancements as well as long run energy transitions towards different carbon intensity fuels (from wood to coal, to oil and natural gas) and specific policies to promote transition to zero carbon fuels causing GHG intensities to modify.

With reference to India, he stated that the country's GHG intensities are changing because of a combination of 'inherent' and 'policy-driven' factors. Inherent being increased economic efficiency, structural change and a marked energy transition away from biomass. Policy driven referring to technical improvements in energy efficiency and policy-driven decarbonization of energy. He concluded with stating that on balance, it appears that both inherent drivers are likely to continue to depress GHG intensity of GDP and that India should be well on track to achieve its GHG intensity target. The uncertainties lie with the rate of industrialization and energy decarbonization.

This was followed by a panel discussion moderated by **Shri. R. R. Rashmi** on the challenges and opportunities put forth by the BRT in an Indian and developing country context.

### **PANELISTS**

**Mr. Pankaj Bhatia, Deputy Director, Climate; Global Director, GHG Protocol, World Resources Institute**

Mr. Bhatia's presentation highlighted that the new phase of reporting has some kind of flexibility depending upon the capacities of the decision makers. The new world of

reporting (expected to be different) is not just about collecting data, but much more. He stated that there are 4 approaches to tracking of NDCs: GHG Emissions; Climate Policies and Actions; Data Management; and NDC enhancement. India has a unique decision to make. If the framing of the NDC would be around the national target, then the argument would be using a simpler approach, but India's NDCs are very broad. It is not just the national target it is about the number of sectoral policies in place that makes the process quite complicated. Emissions, mitigation actions and support are the types of measurement, reporting, and verification (MRV) of mitigation that act as important elements in tracking NDCs. The accounting approach can be freely chosen but an explanation of why it is being used and its alignment with the type of NDC is essential. Analysis of different NDCs with different types of targets depicts that the GHG target have the maximum share (70%) followed by actions only (13%) among the other country targets.

Another way for MRV of Mitigation Actions is to Assess Emission Reductions using Ex-Ante or Ex-Post approach as in the case of Belgium. In case of ex-ante assessment, comparison of a baseline scenario to a scenario where the policy is implemented to estimate to potential impact is done. Whereas in the case of ex-post assessment, the comparison is done with historical monitored data as a baseline to estimate the actual GHG effect of a policy or action. Greenhouse Gas Protocol Policy and action Standard is a standardized approach for estimating the greenhouse gas effect of policies and action. To conclude there is a need for a national platform, that will not only have quantified data but also will help in communication of successes.

**Dr. Vijeta Rattani, *Technical Expert, GIZ India***

Dr. Rattani's work focused on the ETF: it's Capacity Constraints in India and the state of negotiations. The MPGs were agreed upon in COP24 at Katowice, but the technical part of the format and reporting tables were yet to be finalized. The importance of ETF in the ambition mechanism of the Paris Agreement is the process of collective assessment of actions and the Global Stocktake scheduled in 2023. Over the cycles of submission of BTR, the parties will have efficient and clearer information and data related to climate action. Under the Paris Agreement, the BTRs would be focused on GHG inventory+ tracking the progress of NDCs+ information on

climate adaptation and impacts+ information on quality check+ support provided. This whole mechanism is to comply with the principles of TACCC (Transparency, Accuracy, Completeness, Comparability, and Consistency).

Among various challenges, capacity constraint is critical. At the global level, only 45 BURs have been submitted by mid-March 2019. She also stated that in continuation there is a lack of stable and permanent institutional arrangements at the national level; inadequate institutional capacities to develop country-specific emission factors and indices; inadequate management of data-interpretation, accessibility of data and knowledge is a hindrance; limited coordination among stakeholders- there has to be collaborations of different stakeholders; and alignment of ETF with accounting, ambition process and common time frames, carbon markets. An important recommendation is that India is required to first determine as to where it stands in terms of ETF and for this India has already conducted a GEF supported comprehensive 'National Capacity Self-assessment (NCSA)'. The Indian Network for Climate Change Assessment (INCCA) report that was launched in 2010 can also be revived.

**Ms. Rajasree Ray *Economic Adviser, Department of Economic Affairs, Ministry of Finance, Govt. of India***

Ms. Ray spoke on the ETF from climate finance perspective. She stated that the ETF aims to provide clarity on transparency of action as well as support - given and received. When developing countries have negotiated on MPGs, keeping flexibility in mind, they reiterate that requirements should not be beyond the existing reporting requirements and capacities of individual developing nations. Furthermore, she pointed out that ETF also caters to the principles of predictability by ensuring that the projected level of finance that allow for planning on reporting. Another key aspect mentioned by her was that reporting obligations of developing countries increased. However, these have not been matched with commensurate action and support received by governments for reporting, neither is there any demonstratable progress.

Additionally, Ms. Ray, also cited capacity gaps, need for resource support and a lack of reporting infrastructure in India as key challenges faced by the country in this context. She further went on to give a G20 perspective on the issue and linked the importance of their planning on climate change goals as part of mid-century

strategies with reference to the ETF. Furthermore, she concluded by stating the need for differentiated obligations to be more explicitly mentioned as was under differentiation policy, but is lacking under flexibility.

**Dr. Henning Wuester (*Director, Initiative for Climate Action Transparency*)**

Dr. Wuester gave an Indian context of decarbonisation of the energy sector, its global role in influencing policy and practice, and, most importantly, the opportunities that the adoption of the ETF provides to countries (developed and developing). He reiterated that India is considered as a leader in many respects - including energy decarbonisation, and that this leadership position is also applicable in terms of reporting and, forming and following transparency frameworks. The reporting that has been done so far has been very thorough and rich, and this has been recognised globally.

With reference to the BTR and ETF, Dr. Wuester stated it as “providing an opportunity to promote both effective reporting and, more importantly, effective use of data for development processes”. According to him, the ETF informs sectors of the economy of their economic and emission impacts, which influences perspectives by promoting a more long-term outlook. Taking up this framework and MRV processes for building a national transparency framework also holds ability to create a stimulating environment for policy making in the country for being able to mobilize investors by linking climate co-benefits along with economic benefits and impacts.

He echoed the fundamental shift and ICAT's support in favour of transparency frameworks being nationally determined. There exists a need to build a global community of practice where all countries contribute to good MRV. He stated that the brain capacity behind BTR's must be domestically developed, but international organisations such as ICAT can provide international expertise, modelling tools, etc. To conclude, he highlighted the need of building a community of practice around effective data management that further accelerates positive climate action which can be sustained as it has economic benefits and is in line with national development priorities.

**Mr. Ajay Raghava, Deputy Director, Ministry of Environment, Forest and Climate Change (Govt. of India)**

Mr. Raghava highlighted the government's perspective on the kind of future for visualizing transparency. The transparency framework is a part of the Paris Agreement and is linked to all the other components. In the negotiations that are ongoing since 2016, the maximum time allocation has been given to the transparency negotiations because it is complicated in several terms- it has linkages with several NDC, common timeframe, finance etc. After 3 years of negotiations, there was a conclusion to MPGs but there was a little progress in COP25.

The responsibility for the developing countries has increased tremendously. In the reporting structure, there was a very clear demarcation of responsibilities. In the Paris Agreement, the term 'differentiation' was replaced by 'flexibility'. The major striking point in the negotiations was redefining the meaning of flexibility. There were greater discussions on the scope, applicability and operationalization of flexibility. This resulted in breakdown of negotiations and reinterpretation of the already existing provisions under the Paris Agreement and MPGs.

In case of India, the 4<sup>th</sup> National communications budget is 50% of what was released for 3<sup>rd</sup>, whereas the reporting requirement will almost get doubled. So there is reduced funding from GEF on implementation of the article 13. In term of challenges it has been observed that the developed countries have more than 20 years of experience of providing exhaustive information, but on the contrary it becomes challenging for the developing countries to achieve the same level by 2024.

In terms of BTRs, the migration to the IPCC 2006 guidelines has already been initiated but the major challenge would be its implementation across the sectors that have not adopted these guidelines. Recently, India got an approval for CBIT- a 4 million project on the capacity building in transparency under the fund created in the Paris Agreement.

To conclude, India has introduced a number of innovations in our inventory systems. This includes verification of data using a top down approach of one of the GHG (methane). Also, there is a need to address the gaps in capacity building of the institutions.