

# A BRIEF GUIDE TO THE PARIS AGREEMENT AND 'RULEBOOK'



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The Paris Agreement enshrines global goals, national commitments and multilateral processes aimed at progressively strengthening the global effort against climate change. The agreement, adopted in 2015 under the U.N. Framework Convention on Climate Change (UNFCCC), has since been ratified by more than 190 countries. In 2018, parties adopted detailed rules and procedures for implementing the agreement, known informally as the Paris “rulebook.” This brief outlines the broad contours of the agreement and rulebook, focusing on the provisions related to governance, mitigation, transparency, finance, the periodic global stocktake, and implementation and compliance. It includes a timeline of key milestones in the agreement’s implementation over the coming years.

The Paris Agreement reflects a “hybrid” approach—blending bottom-up flexibility, to promote broad participation, with top-down rules, to promote accountability and ambition. Parties crafted a carefully balanced framework that moves beyond strict differentiation between developed and developing countries, committing all parties to undertake ambitious climate action and establishing mechanisms to hold them accountable and to strengthen ambition over time.

In adopting the Paris rulebook at COP 24 in Katowice, Poland, parties were unable to agree on rules for implementing Article 6, which addresses the use of market-based approaches. Those decisions were deferred to COP 25, to be held in December 2019 in Santiago, Chile.

## GOVERNANCE

Parties to the Paris Agreement meet as the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, or CMA. The CMA meets annually during the same period as the COP. Parties to the UNFCCC that are not parties to the Paris Agreement can participate in the CMA as observers but cannot participate in decisions.

## MITIGATION

All parties must maintain, and periodically update, nationally determined contributions (NDCs), outlining their self-defined mitigation goals. Parties must also pursue domestic measures with the aim of achieving those goals. Parties submitted intended NDCs ahead of the Paris summit and finalized them when they ratified the agreement. They will submit new or updated NDCs by 2020 and every five years thereafter.

## INFORMATION FOR CLARITY, TRANSPARENCY, AND UNDERSTANDING (ICTU)

In communicating their NDCs, each party must also provide the information necessary for an NDC’s “clarity, transparency, and understanding” (ICTU). The Paris decision specified various categories of information that a party could include, “as appropriate,” such as scope and coverage, planning processes, and how the party considers its NDC fair and ambitious in light of its national circumstances. The rulebook elaborates these categories and says parties “shall” provide this information “as applicable” to their NDCs. These instructions do not differentiate between developed and developing countries but allow parties to self-differentiate by determining for themselves which information is “applicable.”

## ACCOUNTING

The Paris Agreement requires parties to account in their biennial transparency reports for the greenhouse gas emissions and removals corresponding to their NDCs, beginning with their second NDCs. Accounting must be done in a way that promotes environmental integrity; promotes transparency, accuracy, completeness, comparability, and consistency; and ensures the avoidance of double counting (if parties transfer mitigation outcomes).

Parties must use the Intergovernmental Panel on Climate Change (IPCC)'s Guidelines for National Greenhouse Gas Inventories, which provide methodologies for calculating national greenhouse gas inventories. If a party's NDC cannot be accounted for using IPCC methodologies, it must explain the methodologies it has used. Parties must detail how their approach is consistent with IPCC guidance on accounting for harvested wood products and natural disturbances on managed lands.

Parties are encouraged to apply consistent methodologies and must report any changes to methodologies used during the implementation of their NDC.

## NDC REGISTRY

Parties communicating their NDCs record them in a public registry maintained by the UNFCCC secretariat. The registry will allow for information about the NDCs to be searched or sorted on a web-based platform that parties will consider in June 2019 and formally adopt at COP 25.

## ENHANCED TRANSPARENCY FRAMEWORK

The Paris Agreement establishes an enhanced transparency framework providing for the reporting and review of information on parties' emissions, mitigation efforts, and support provided or received.

This transparency framework will supersede the current transparency system under the UNFCCC, which sets different requirements for developed and developing countries. The new framework will apply to all countries but provide "built-in flexibility" for those developing countries that "need it in light of their capacities." The aim is for all parties to work toward the same standards of accountability as their capacities strengthen over time.

All parties except for least-developed and small-island countries (LDCs and SIDS) will come under the new transparency rules no later than the end of 2024.

The enhanced transparency system consists of two reporting requirements and two review mechanisms.

## REPORTING

The Paris Agreement requires parties to submit a biennial transparency report (BTR) that contains a national greenhouse gas inventory and the "information necessary to track progress made in implementing and achieving" their NDCs.

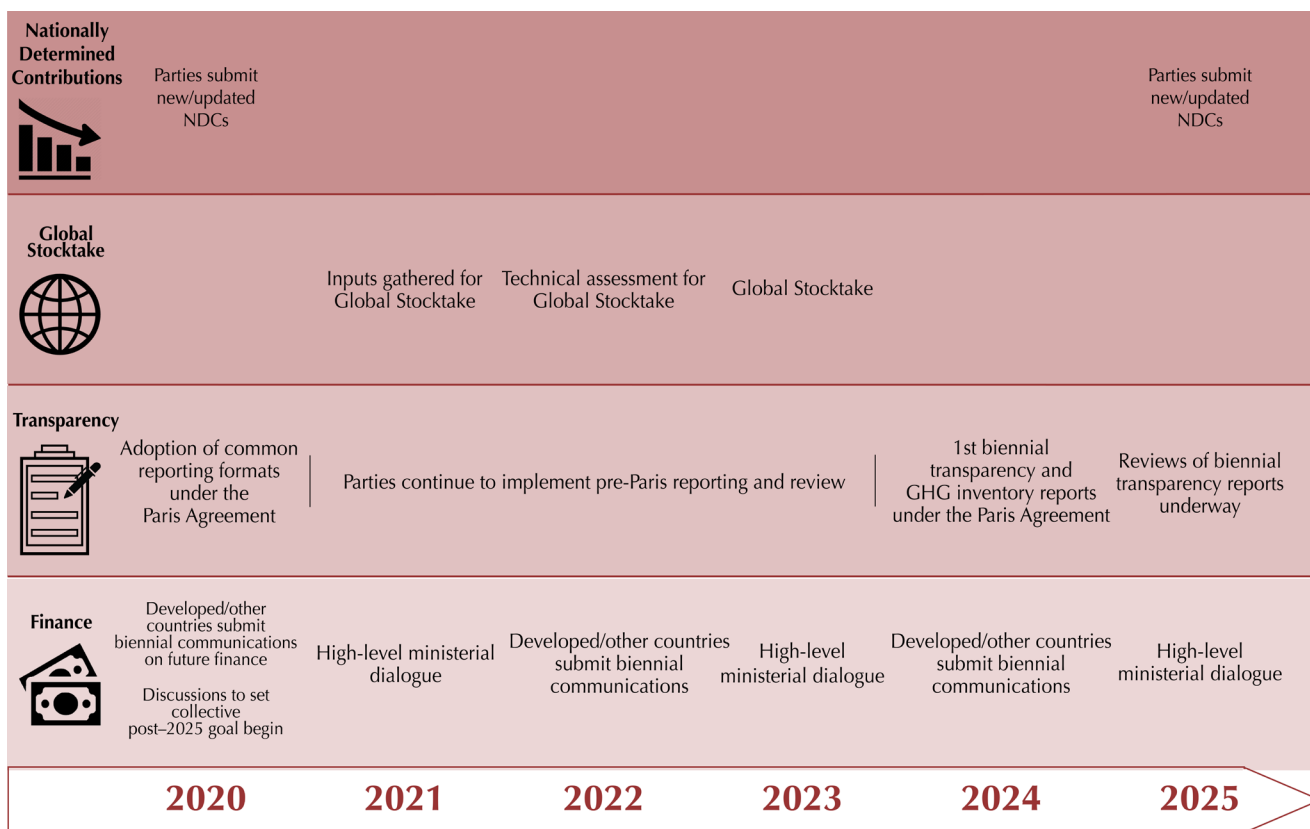
National inventory reports (NIRs) are to be prepared using good practice methodologies accepted by the IPCC and agreed upon by parties to the Paris Agreement. Parties will use the most recent IPCC guidelines and any subsequent versions adopted by parties. They will report a consistent annual time series starting from 1990, applying consistent methodologies for each reported year. A developing country requiring flexibility may report the data it has for the reference year and period of its NDC and a consistent annual time series from 2020 onward.

In reporting on progress made in implementing and achieving their NDCs, the rulebook requires each party to:

- Describe its NDC in such a way that progress against its targets or goals can be tracked.
- Identify quantitative and/or qualitative indicators to track its progress and provide current information for each of these indicators.
- Clearly indicate its accounting approach and how it is consistent with its type of NDC.
- After the conclusion of its contribution period, provide an assessment of whether it has achieved its NDC.
- Provide a structured summary of the information in its BTR.
- Provide information on its action, policies and measures, together with estimates if possible of the expected and achieved emission reductions.

All parties provide this required information in their BTRs, except for LDCs and SIDS, which may submit it at their discretion.

**FIGURE 1: Paris Agreement – Key Milestones**



**REVIEW**

The information reported by parties will undergo two levels of review: technical expert review (TER) and a form of peer review called a facilitative multilateral consideration of progress (FMCP).

TERs look at a party’s inventory, reporting of progress, and, in the case of developed countries, the reporting of support provided. It reviews whether a party’s reporting is consistent with the guidelines; identifies areas of improvement; and, in the case of developing countries, identifies capacity-building needs. The experts will also pay attention to the national capabilities and circumstances of developing countries.

Technical experts will not make political judgments, review the adequacy or appropriateness of a party’s NDC, review the adequacy of a party’s domestic actions, review the adequacy of support provided, or review a determination by a developing country to apply flexibility under the transparency framework.

Both parties and experts have found under the current system that face-to-face dialogue during expert review has helped to build capacity and create a facilitative relationship. But anticipating a significant increase in the number of reports and reviews, and the associated burdens on parties and the regime, the guidelines are flexible as to the mode of expert review.

The second stage of review—the FMCP—is intended to follow and consider the results of a party’s TER, but will be conducted even if a party does not submit its reports and there is no TER.

The FMCP will consider countries’ implementation and achievement of their NDCs and financial support to developing countries. Drawing on existing practices, parties will exchange questions and answers in written form and then verbally in an open session following a party’s presentation. Questions are permitted from parties only and developing countries that need flexibility can take extra time in submitting written responses to questions.

The secretariat will then publish a record of the FMCP, including the questions asked and answered, a copy of the presentation, a recording of the session, a procedural summary, and any additional information generated from the online platform.

## **FLEXIBILITY FOR DEVELOPING COUNTRIES**

The Paris rulebook operationalizes capacity-based flexibility for developing countries in the following ways:

- It carefully specifies the types of flexibility.
- It allows developing countries to determine for themselves which type of flexibilities they need.
- It requires that a developing country “clearly indicate” which flexibilities it is invoking, “concisely clarify” its capacity constraints, and provide estimated time frames for its capacity improvements.

For developing countries that need assistance in meeting the new transparency requirements, the Paris decision established a Capacity-Building Initiative for Transparency (CBIT) and a Paris Committee on Capacity Building (PCCB).

The CBIT was created to help strengthen the institutional and technical capacity of developing countries, provide tools and training, and assist in the improvement of transparency over time. As of December 2018, 45 CBIT projects have been approved, including a global, cross-cutting platform to enable coordination and knowledge sharing among CBIT countries.

The PCCB, composed of twelve capacity-building experts representing developed and developing countries, will analyze capacity-building issues, help ensure coherence and coordination in capacity-building activities under the UNFCCC, and develop policy recommendations to support countries in enhancing climate action.

## **FINANCE**

The Paris Agreement requires developed countries (and encourages other countries providing support) to report in their biennial transparency reports on the support for developing countries that they have provided or mobilized. Separately, it also requires developed countries (and encourages others) to communicate biennially on their efforts going forward, including projected levels of public financial resources to be provided. Starting

in 2021, the UNFCCC will prepare compilations and syntheses of this forward-looking information and organize biennial in-session workshops. Every two years, a high-level ministerial dialogue on climate finance will consider the compilation and synthesis reports and the summaries of the in-session workshops.

Developed countries had previously set a collective goal of mobilizing \$100 billion a year by 2020. In Paris, parties extended that goal through 2025 and agreed to set a new, higher goal for later years. Deliberations on the new quantified goal will begin in 2020.

## **GLOBAL STOCKTAKE**

To promote rising ambition, the agreement establishes two linked processes, each on a five-year cycle. The first is a “global stocktake” to assess collective progress toward meeting the Paris Agreement’s long-term goals. The second process is the communication or updating of NDCs “informed by the outcomes of the global stocktake.” The first global stocktake will take place in 2023.

In global governance terms, the stocktake is unique among multilateral review mechanisms. While most others are designed to review individual progress, the global stocktake will comprehensively assess collective progress towards common goals “in the light of equity and the best available science.”

The stocktake will consist of three phases: information collection, technical assessment, and consideration of outputs. The technical assessment will include a technical dialogue that assesses collective progress in the thematic areas of mitigation, adaptation, and means of implementation and support, taking into account, as appropriate, issues related to loss and damage. Equity and best available science will be considered as cross-cutting issues throughout the process.

Inputs will also include submissions from non-party stakeholders, as well as information on equity and on efforts related to loss and damage. The output of the global stocktake will summarize parties’ opportunities and challenges in taking enhanced mitigation action, as well as lessons learned and good practices in adaptation. The outputs will be presented at high-level events. Parties can use these outputs, recommendations, and key political messages to update and enhance their actions and support, and to improve international cooperation.

## IMPLEMENTATION AND COMPLIANCE COMMITTEE

The Paris Agreement establishes a mechanism to “facilitate” the implementation of, and to “promote compliance” with, the provisions of the agreement. This mechanism is an expert-based committee that is facilitative in nature and will function in a “transparent, non-adversarial and non-punitive” manner.

The committee’s consideration of an issue can be initiated in four ways:

- First, a party can raise an issue with its own implementation and compliance to the committee.
- Second, where a party has failed to submit an NDC or required report, or has failed to participate in the FMCP, the committee can initiate consideration on its own.
- Third, the committee, at its discretion and with the concerned party’s consent, can consider where a party has been persistently and significantly inconsistent in following transparency rules and guidelines, as evidenced by its TER.
- Fourth, the committee can initiate consideration of systemic issues in the regime’s operation.

The committee may engage in dialogue with the party concerned, help it get assistance, make recommendations, or issue findings of fact. The committee may make

decisions by three-quarters majority vote, if consensus is not possible.

The committee’s initial members will be elected in 2019 and it will meet in 2020 to develop rules of procedure for adoption by the CMA.

## JOINING AND WITHDRAWING FROM THE AGREEMENT

Parties can join the Paris Agreement in two steps: first, by signing the agreement and by formally joining it by whatever domestic procedures are required under its own national constitution and legal framework. A country then deposits its instrument of “ratification, acceptance or approval” with the United Nations. As of June 2019, 185 countries and the European Union were parties to the agreement.

Parties can withdraw from the agreement by sending a withdrawal notice to the United Nations. However, such notice can be given no earlier than three years after the agreement goes into force for that country (the agreement went into force on November 4, 2016). Withdrawal is effective one year after notice is provided.

## Other C2ES Resources:

*Completing the Paris 'Rulebook': Key Article 6 Issues*

<https://www.c2es.org/document/completing-the-paris-rulebook-key-article-6-issues/>

*Outcomes of the U.N. Climate Change Conference in Katowice*

<https://www.c2es.org/document/outcomes-of-the-u-n-climate-change-conference-in-katowice/>

*Essential Elements of the Paris 'Rulebook'*

<https://www.c2es.org/document/accounting-for-bottom-up-trading-under-the-paris-agreement>

*Paris Climate Agreement Q&A*

<https://www.c2es.org/content/paris-climate-agreement-qa/>

*Outcomes of the U.N. Climate Change Conference in Paris*

<https://www.c2es.org/document/outcomes-of-the-u-n-climate-change-conference-in-paris/>



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