

Climate Transparency among Southeast Asian Countries: Developments since COP16

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SYNOPSIS

Introduced in Cancun, Mexico in 2010 at COP16, the International Consultation and Analysis (ICA) process as part of the Measurement, Reporting and Verification (MRV) process under the UN Framework Convention on Climate Change (FCCC) was a move towards increasing the transparency of the participating countries' climate change mitigation actions. The historic Paris Agreement's entry into force in 2016 was a demonstration of progress towards climate change mitigation becoming a truly global process, as the inclusion of developing countries into this transparency process serves to enhance understanding for all. Existing transparency processes include biennial reporting followed by the availability of a forum for these parties to share their experiences. This policy brief examines the experiences of Thailand, Indonesia, and Malaysia in undergoing the ICA process, as well as the Southeast Asian perspective.

KEY POINTS

- The International Consultation and Analysis (ICA) process is beneficial for all parties involved as it fosters trust and collaborative engagement while increasing transparency.
- While Biennial Update Reports (BURs) are still largely work in progress for many countries, going through the ICA process helps non-Annex 1 (NA1) countries identify and address capacity-building areas.
- Indonesia, Malaysia, and Thailand are the latest Southeast Asian countries to complete the final step of the ICA process, following in the footsteps of 20 other developing countries, including Singapore and Vietnam.
- Regional cooperation as demonstrated by the ASEAN is essential for maintaining good international relations. It is also an important step towards transparency, accountability, and making climate change mitigation a global process for the Southeast Asian countries.

INTRODUCTION

The recent 46th session of the Subsidiary Body for Implementation (SBI) under the UN Framework Convention on Climate Change (UNFCCC) saw the conclusion of the third round of the Facilitative Sharing of Views (FSV) workshop on 15 May 2017. This workshop involved presentations by 10 non-Annex 1 (NA1) parties – India, Indonesia, Israel, Malaysia, Mauritania, Montenegro, Morocco, Moldova, Thailand, and Uruguay. While the current rates of participation in the ICA process can be improved, especially with the rules of the Enhanced Transparency Framework being developed under the Paris

Agreement by 2018, the ICA process has shown that it is best suited to the nature of developing country parties.

The aim of the ICA process is to increase transparency and accountability in climate change mitigation actions. As the NA1 equivalent to the International Assessment and Review (IAR) process that Annex 1 parties to the Convention partake in, it places emphasis on capacity-building in order to facilitate reporting rather than on the appropriateness of a country's domestic policies and measures.

The ICA process starts six months after, following the submission of a Biennial Update Report (BUR) submitted by the NA1 party, comprising information regarding the party's Greenhouse Gas (GHG) inventory, climate change mitigation actions, their domestic MRV system, and support received and needed. Next, a Team of Technical Experts (TTE) conducts a non-intrusive form of technical analysis and prepares a technical summary report. The BUR and technical report serves as input for the final step in the process, which is the FSV workshop. The FSV workshop, where NA1 parties share their experiences, provides a more collaborative environment for parties to achieve their NDCs.

To date, five Southeast Asian countries have undergone a full cycle of the ICA. Singapore and Vietnam both submitted their BURs before the mandated deadline of December 2014; Singapore in fact submitted its second BUR in December 2016 (refer to ESI Policy Brief #14). Thailand and Malaysia both submitted their BURs on 3 March 2016, while Indonesia submitted theirs on 18 March 2016. This brief uses the most recent submissions by Malaysia, Indonesia, and Thailand as case studies to evaluate the ICA process and its subsequent progress since its conception.

ANALYSIS

Current Effectiveness of the ICA Process

Since the start of submissions in December 2014, 36 of the 154 NA1 parties have submitted their first BURs, with five out of the 36 having submitted their second BUR. The low numbers of participation can be attributed to the lack of a hard deadline, and the flexibility afforded to multiple NA1 Parties who are accorded the status of Least Developed Countries (LDCs) and/or Small Island Developing States (SIDS); they are allowed to submit BURs at their own discretion.

Despite this seemingly slow process, the participation of big emitters such as India (in the current round) and China (scheduled to participate in the next round) will contribute to the rising levels of confidence in the role that transparency plays in achieving global progress on mitigating climate change. However, it is important to recognise that some parties still lack the financial, technological or institutional ability to spare

their resources on the creation of a BUR. Having said that, Mauritania's submission of their first BUR in the most recent cycle shows that it is an achievable task. As the first LDC to do so, they can be an exemplar for other developing parties to follow. In Mauritania's case, going through the 'gentle facilitation' of the ICA process has allowed them to identify areas for capacity-building.

Technical Analysis

The Technical Analysis (TA) under the ICA process aims to increase the transparency of the mitigation actions and their effects; however, discussion on the appropriateness of domestic policies and measures is not part of the process. The TTE's mandate, contained in the annexes of Decision 2/CP.17, is threefold: to identify the extent to which information that parties have included in their BUR complies with guidelines for submission; to undertake a technical analysis of the BUR; and to identify capacity-building needs.

The TTE must take into account the national circumstances of the developing country parties and recognise the difficulties in reporting under the Convention, including the subsequent need to build capacity as mandated by Decision 20/CP. 19. In order to adhere to this, experts undergo a self-learning course covering three clusters: technical analysis of the BUR, background on methods and science employed in the BUR, as well as technical analysis relating to REDD-plus actions. Despite the nature of the analysis being limited to being non-punitive, non-intrusive, and respectful of a party's sovereignty, credibility is added to the report as areas for improvement are pointed out. The technical summary reports of Thailand, Malaysia, and Indonesia's BUR were finalised on 15 February 2017, 17 February 2017, and 24 February 2017 respectively.

Thailand was commended for adding information regarding domestic crediting mechanisms in addition to establishing institutional arrangements for their GHG database repository. Suggested improvements include adding information regarding the respective roles of institutional entities, descriptions of methodologies used, as well as data on marine bunker and aviation fuels. Out of the three countries, Thailand was the only

party to provide a reason for their late submission (the first BURs were due in December 2014), which was due to the GHG inventory being worked on by a temporary group that could only progress with aid from the Global Environment Facility (GEF).

Malaysia was commended for providing detailed information on adaptation initiatives, the use of specific progress indicators for each mitigation action, and providing transparent data on GHG emissions at the sub-sector level. Areas for improvement include providing transparent information on indirect GHG emissions, giving reasons for the inability to apply certain methodologies, strengthening of institutional arrangements for the development of their domestic MRV system — particularly related to filling data gaps and in tracking deforestation and land-use change.

Indonesia's GHG inventory data was given specific mention, as the BUR showed Indonesia had plans to improve their data collection mechanism and gave a detailed description of mitigation actions in the agriculture sector. However, areas that could be improved on include the implementation of a domestic MRV system, including data on F-gases, as well as indirect GHG emissions in all sectors.

The technical summary reports for Thailand, Malaysia, and Indonesia broadly concluded that all three BURs were mostly transparent and sufficiently comprehensive. The TA and summary reports were conducted and completed with the respective countries' national circumstances in mind and did not impose on parties for not including certain information, although areas that require capacity-building were highlighted. Regular video-conferencing between parties and the assigned TTE was identified as a useful way to ascertain areas of higher priority and where further capacity needs to be built. This allows for financing institutions such as the GEF or UN Development Program (UNDP) to channel funds into the right avenues. All reports and records of FSV workshops are publicly accessible on the UNFCCC website, thus adding further transparency to this process.

Facilitative and Multilateral Sharing

The ICA cycle concludes with an FSV workshop, an open event for all delegates and observers

in which each party presents a summary of their BUR and lessons learnt from undergoing the process. This is followed by a question-and-answer segment, which takes up 20 minutes out of the 35 minutes allocated per presentation. This segment gives opportunities for parties in attendance to clarify or raise any further issues not addressed during the written phase, thereby adding to the mutual understanding and social interaction amongst peers.

Thailand was represented by officials from the Ministry of Natural Resources and Environment Policy and Planning. Mitigation actions included the Climate Change Master Plan (CCMP), which aims to support socio-economic growth while cutting GHG emissions by 2050. They received oral questions from the EU, Korea, Japan, India, China, Brazil, and Saudi Arabia regarding its priorities in improving the GHG inventory, the use of ethanol in the transport sector, quantification and priorities for support needed in the energy sector, challenges in the aggregation of the maritime sector, implementation of the MRV system, and in meeting their 2020 targets.

The Malaysian delegation was led by the Ministry of Natural Resources and Environment. Their presentation outlined multiple policies addressing sectors such as waste and land-use, land-use change and forestry (LULUCF), which has resulted in a reduction of 18.6 GgCO₂-eq in 2013. Challenges faced by Malaysia include a lack of technical capacity when preparing the BUR and difficulty in developing a robust MRV system. Malaysia received oral questions from the EU, Japan, China, Germany, Austria, Korea, Luxembourg, USA, and India regarding priorities in improving the GHG inventory, emissions in the LULUCF sector, lessons learnt from applying the MRV system, challenges in capacity-building, the transition to 2006 IPCC guidelines, and plans for renewable energy.

The Indonesian presentation was made by a representative from the Ministry of Environment and Forestry and it covered mitigation actions such as the National Energy Policy. Oral questions received by Indonesia came from the EU, Korea, Czech Republic, India, Japan, Brazil, Australia, China, and Germany regarding its prioritisation for improving their

GHG inventory, measures to reduce peat fires, short-term capacity-building needs, inter-annual variability in LULUCF emissions, needs in implementing domestic MRV, ability to reach their 2020 target, and institutional arrangements for, and measurements of provincial GHG emissions.

Latest Developments in Southeast Asia

Southeast Asian countries have shown their intentions and commitment in mitigating climate change by the establishment of the ASEAN Working Group on Climate Change (AWGCC) in 2009, which Singapore has been the Chair of since 2016 and ending their term in 2019. The eighth meeting was hosted in Yangon, Myanmar from 14-15 June 2017, where ASEAN member states discussed the joint statement to be presented at the high-level segment at COP23, as well as the draft ASEAN-UN Work Plan on Environment and Climate Change 2016-2020. In addition, the AWGCC convenes to discuss the implementation of activities under the ASEAN Socio-Cultural Community (ASCC) Blueprint 2025 and ASEAN Climate Change Initiative (ACCI), as well as implementation of the ASEAN Action Plan on Joint Response to Climate Change. The sharing of ideas during regular workshops on sustainable cities, transboundary haze pollution, and environmental education allow for the ASEAN participants to gain valuable insights from their peers. This strengthens the credibility of the organisation as a whole, as the region is given a louder voice, compared to member states acting unilaterally.

Another notable development is the joint initiative between Singapore and Australia, which has resulted in the organisation of a total of three capacity-building workshops with the UNDP and UNEP's UN Global Support Programme (GSP). The first two were hosted in Singapore (2015) and Fiji (2016) and focused on delivering training on BUR for ASEAN countries and the international MRV framework respectively. A recent workshop held in Singapore from 7-9 June 2017 served to build and sustain the capacity of Southeast Asian, Northeast Asian, and South Asian parties that will be undergoing the ICA process.

CONCLUSION

For the five Southeast Asian countries that have undergone a full cycle of the ICA, the emphasis has clearly been placed on capacity-building while accommodating for their national circumstances. The delays in submitting the remaining BURs can perhaps be attributed to a combination of socio-economic priorities, such as healthcare and poverty. These national developmental priorities have been noted in the Southeast Asian countries' National Communications to the UNFCCC, alongside other factors such as, the lack of public awareness, capacity, resources and funding and dependence on fossil fuels. Having an open discussion about how to overcome these challenges is an important step towards transparency, accountability, and making climate change mitigation a global process.

WHAT TO LOOK OUT FOR

- Next round of FSV in November 2017 at COP23, with the likely participation of countries such as Armenia, China, Ecuador, Georgia, Jamaica, and Serbia.
- Next round of submissions with respect to transparency of action and support referred to in Article 13 of the Paris Agreement (Agenda Item 5) by 30 September 2017, where parties are invited to elaborate specific operational details on how they expect the Enhanced Transparency Framework to work.

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Keywords: COP16, Climate Transparency, Southeast Asia, International Consultation and Analysis, Facilitative Sharing of Views

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