

Climate Change Expert Group

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Understanding reporting and review under Articles 6 and 13 of the Paris Agreement

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Abstract

Reporting and review requirements under the Paris Agreement include provisions under Article 13 relating to the implementation and achievement of Parties' Nationally Determined Contributions (NDCs). Draft texts relating to Article 6.2 relating to Parties' use of cooperative approaches also include provisions on reporting and review. This document identifies and analyses issues related to the interplay of relevant reporting and review requirements under both Article 13 and Article 6 of the Paris Agreement, as it is important to improve complementarity and ensure consistency between the two sets of reporting and review provisions, as well as to meet the already-agreed principles governing transparency. Regarding reporting, the document highlights options for improving the clarity of the provisions concerning the timing, content, and frequency of the three required types of information under Article 6.2 guidance (i.e., the initial report, annual information, and regular information). Regarding Internationally Transferred Mitigation Outcomes (ITMOs), this document highlights several issues relating to timing and vintages that would need to be addressed to facilitate ITMO reporting and review implementation. Regarding review provisions, this document finds that draft A6.2 guidance could usefully provide further detail on some substantive aspects of the Article 6 review process, such as, e.g., clarifying roles of the Party, the TER team, and the secretariat in the review process.

JEL classifications: F53, Q29, Q49, Q54, Q56, Q58

Keywords: Paris Agreement, Enhanced Transparency Framework, Article 6, carbon markets, reporting, review

Résumé

Les exigences de l'Accord de Paris en matière de rapports et d'examens comprennent notamment les dispositions de l'article 13 relatives à la mise en œuvre et à la réalisation des contributions déterminées au niveau national (CDN) des Parties. Les projets de textes relatifs à l'article 6.2 sur les démarches concertées que peuvent mener les Parties contiennent aussi des dispositions sur les rapports et les examens. Le présent document recense et analyse les questions liées aux interdépendances entre les obligations de rapport et d'examen en vertu de l'article 13 et en vertu de l'article 6 de l'Accord de Paris : il importe en effet, d'une part, d'améliorer la complémentarité et d'assurer la cohérence entre les deux ensembles de dispositions sur les rapports et les examens et, d'autre part, de satisfaire aux principes déjà convenus qui régissent la transparence. S'agissant de l'établissement de rapports, nous mettons en avant les solutions possibles pour améliorer la clarté des dispositions concernant le calendrier, le contenu et la fréquence des trois catégories d'informations requises au titre de l'article 6.2 (rapport initial, informations annuelles, informations régulières). Concernant les résultats d'atténuation transférables au niveau international, nous soulignons plusieurs questions relatives au calendrier et aux périodes de référence qu'il conviendrait de résoudre pour faciliter l'établissement des rapports sur les résultats d'atténuation transférables au niveau international et les examens de mise en œuvre. Enfin, pour ce qui est des dispositions sur les examens, nous observons que le projet de directive relative à l'article 6.2 pourrait utilement donner de plus amples informations sur les aspects de fond du processus d'examen visé à l'article 6, par exemple clarifier les rôles de la Partie, de l'équipe d'experts chargée de l'examen technique et du secrétariat pendant le processus d'examen.

Classifications JEL : F53, Q29, Q49, Q54, Q56, Q58

Mots-clés : Accord de Paris, cadre de transparence renforcée, article 6, marchés du carbone, établissement de rapport, examen

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List of Acronyms

BTR	Biennial Transparency Report
BUR	Biennial Update Report
CAD	Compilation and Accounting Database
CARP	Centralized Accounting and Reporting Platform
CCXG	Climate Change Expert Group
CERs	Certified Emission Reductions
CMA	Conference of the Parties serving as a meeting of the Parties to the Paris Agreement
CMP	Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol
COP	Conference of the Parties
CTF	Common Tabular Format
ETF	Enhanced Transparency Framework
ETS	Emission Trading System
ERTs	Expert Review Teams
ERUs	Emission Reduction Units
GHG	Greenhouse gas
ICER	Long-term Certified Emission Reduction
ITMO	Internationally Transferred Mitigation Outcome
LDCs	Least Developed Countries
LULUCF	Land Use, Land Use Change and Forestry
MPGs	Modalities, procedures and guidelines
NC	National Communication
NDC	Nationally Determined Contribution
NI	National Inventory
NIR	National GHG Inventory Report
PA	Paris Agreement
QA/QC	Quality Assurance/Quality control
RMPs	Rules, Modalities and Procedures
SEF	Standard Electronic Format
SIAR	Standard Independent Assessment Report
SBSTA	Subsidiary Body for Scientific and Technological Advice

- SIDS** Small Island Developing States
- TACCC** Transparency-Accuracy-Completeness-Comparability-Consistency
- TER** Technical Expert Review
- TTE** Technical Team of Experts
- UNFCCC** United Nations Framework Convention on Climate Change

Glossary

NB: The terms **bolded in blue** throughout the paper contain a definition in this glossary. To ease the reading, the terms are only **bolded in blue** when they appear for the first time in the Executive Summary, the main body and the Conclusions of the paper.

Term	Definition
Biennial Transparency Report (BTR)	Under the Paris Agreement’s ETF, BTRs will, i.a., track the progress made by each country towards its NDC. The guidelines for contents and form of the BTR are detailed in the MPGs, adopted at COP 24. Parties are required to submit their first biennial transparency report (BTR1) and national inventory report, if submitted as a stand-alone report, per the MPGs, at the latest by 31 December 2024. (UNFCCC, n.d. ^[11])
Biennial Update Report (BUR)	BURs are reports submitted by non-Annex I Parties, containing updates of national Greenhouse Gas (GHG) inventories, including a national inventory report and information on mitigation actions, needs and support received. Such reports provide updates on actions undertaken by a Party to implement the Convention, including the status of its GHG emissions and removals by sinks and the actions to reduce emissions or enhance sinks. Guidelines regarding BURs were adopted at COP 17 in decision 2/CP.17. (UNFCCC, n.d. ^[12])
Certified Emission Reductions (CERs)	CERs are generated from a project activity in a non-Annex I country registered under the Kyoto Protocol’s Clean Development Mechanism. CERs can be used by Annex I countries to meet their mitigation commitments under the Kyoto Protocol. (UNFCCC, n.d. ^[13])
Compilation and Accounting Database (CAD)	The Compilation and Accounting Database (CAD) records, for compliance purposes, the review of total GHG emissions from sources covered in Annex A of the Kyoto Protocol and any outcome from the review of LULUCF activities.
Centralized Accounting and Reporting Platform (CARP)	The CARP (as laid out in draft CMA decisions on Article 6.2 of the Paris Agreement) is the overarching information platform that enables transparency on Article 6 activities, supports the technical review process, and allows the secretariat to publish all information submitted Parties in relation to Article 6.2.
Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA)	The CMA oversees the implementation of the Paris Agreement and takes decisions to promote its effective implementation. All States that are Parties to the Paris Agreement are represented at the CMA, while States that are not Parties participate as observers. (UNFCCC, n.d. ^[14])
Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP)	The CMP oversees the implementation of the Kyoto Protocol and takes decisions to promote its effective implementation. All States that are Parties to the Convention are represented at the CMP. (UNFCCC, n.d. ^[15])
Conference of the Parties (COP)	The COP is the supreme decision-making body of the Convention. All States that are Parties to the Convention are represented at the COP, at which they review the implementation of the Convention and any other legal instruments that the COP adopts and take decisions necessary to promote the effective implementation of the Convention, including institutional and administrative arrangements. (UNFCCC, n.d. ^[16])
Corresponding adjustments	Decision 1/CP.21, paragraph 36 requests the SBSTA to develop and recommend guidance under Article 6.2 including “to ensure that double counting is avoided on the basis of a corresponding adjustment by Parties” (UNFCCC, 2016 ^[7]). Furthermore, paragraph 77.d of the MPGs for the ETF further notes that Parties participating in co-operative approaches shall also provide “an emissions balance reflecting the level of anthropogenic emissions by sources and removals by sinks covered by its NDC adjusted on the basis of corresponding adjustments undertaken by effecting an addition for internationally transferred mitigation outcomes first-transferred/transferred and a subtraction for internationally transferred mitigation outcomes used/acquired, consistent with decisions adopted by the CMA on Article 6” (Annex to decision 18/CMA.1 III.C, paragraph 77.d) (UNFCCC, 2019 ^[8]). How exactly this is to be achieved has not yet been decided.
Cooperative approaches	Cooperative approaches are referenced in Article 6.2 of the Paris Agreement, which outlines how Parties are to comply with guidance provided by the CMA when engaging in “cooperative approaches that involve the

Term	Definition
	use of ITMOs towards nationally determined contributions". Although not explicitly outlined as a 'market' or 'flexibility' mechanism, Article 6, paragraph 2 is broadly understood to mean that a country can use emission reductions from another country towards its own mitigation target under the Paris Agreement. (UNFCCC, 2019 ^[9])
CRF Reporter	The CRF Reporter is a web-based software developed by the UNFCCC Secretariat to facilitate Annex I Parties' GHG inventory reporting to the UNFCCC. The CRF Reporter generates the CRF tables. (Falduto and Wartmann, 2021 ^[10])
Emissions Balance	The Draft CMA decision on guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement (version of 15 December 2019) requests participating Parties to "apply corresponding adjustments" which will result in an emission balance. This balance is calculated by applying corresponding adjustments. The emission balance shall be reported by Parties for each year pursuant to paragraphs 9 and 23 (f) of draft A6.2 guidance (i.e. under the annual information report). (UNFCCC, 2019 ^[9])
Enhanced Transparency Framework (ETF)	The Enhanced Transparency Framework (ETF) was established in the Paris Agreement and is designed to build trust and confidence that all countries are contributing their share to the global effort. This framework is applicable to all countries and is operationalised by a detailed set of modalities, procedures and guidelines (MPGs). The ETF allows to track the progress made by each country against its plans and ambitions as described in its Nationally Determined Contributions (NDCs). (UNFCCC, n.d. ^[11])
Emission Trading System/Scheme (ETS)	Emissions trading systems (or schemes) are market-based instruments that create incentives to reduce emissions where these are most cost-effective. A number of ETSs currently exist on all levels: sub-national, national and supranational. (IEA, 2020 ^[12]) The ETSs work through trading either unused emission units or emission reduction units from mitigation project activities.
Expert Review Teams (ERTs)	Expert Review Teams conduct a technical review of the information that is submitted under Article 7 of the Kyoto Protocol.
Emission Reduction Units (ERUs)	The emission reduction unit (ERU) is an emissions unit issued under a Joint Implementation project in terms of the Kyoto Protocol. More specifically, an ERU is a tradable unit that corresponds to one tCO ₂ -e of emissions reduction or sequestration.
Greenhouse Gases (GHGs)	Greenhouse gases are gases in the atmosphere such as water vapour, carbon dioxide, methane and nitrous oxide that can absorb infrared radiation, trapping heat in the atmosphere. When discussing GHGs in the context of reporting under the UNFCCC, unless specified otherwise, the term GHGs covers gases included in the 2006 IPCC guidelines, namely: carbon dioxide (CO ₂), methane (CH ₄), nitrous oxide (N ₂ O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF ₆), nitrogen trifluoride (NF ₃), trifluoromethyl sulphur pentafluoride (SF ₅ CF ₃), halogenated ethers (e.g., C ₄ F ₉ OC ₂ H ₅ , CHF ₂ OCF ₂ OC ₂ F ₄ OCHF ₂ , CHF ₂ OCF ₂ OCHF ₂), and other halocarbons not covered by the Montreal Protocol including CF ₃ I, CH ₂ Br ₂ , CHCl ₃ , CH ₃ Cl, CH ₂ Cl ₂ . (IPCC, 2006 ^[13])
International Consultation and Analysis (ICA) Process	The ICA is a process to analyse developing countries' Biennial Update Reports (BURs) in a non-intrusive, non-punitive manner that is respectful of national sovereignty. The ICA process is triggered by the submission of a BUR, and involves two stages: the first stage is a technical analysis of the BUR by the team of technical experts (TTE), the output of which is a technical analysis summary report (TASR); this is then followed by a facilitative sharing of views (FSV) organised in the form of a workshop under the SBI, with the published TASR and BUR serving as inputs. (UNFCCC, 2020 ^[14])
Internationally Transferred Mitigation Outcome (ITMO)	The draft Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement defines ITMOs as: <ul style="list-style-type: none"> (a) Real, verified, and additional; (b) Emission reductions and removals, including mitigation co-benefits resulting from adaptation actions and/or economic diversification plans, or the means to achieve them, when internationally transferred; (c) Measured in metric tonnes of carbon dioxide equivalent (tCO₂ eq) in accordance with the methodologies and metrics assessed by the IPCC and adopted by the CMA or in other non-greenhouse gas (GHG) metrics determined by participating Parties that are consistent with the nationally determined contributions (NDCs) of the participating Parties; (d) From a cooperative approach referred to in Article 6.2 of the Paris Agreement, (hereinafter referred to as a cooperative approach) that involves the international transfer of mitigation outcomes authorized for use towards an NDC pursuant to Article 6, paragraph 3 of the Paris Agreement; (e) Generated in respect of or representing mitigation from 2021 onwards; (f) Mitigation outcomes authorized by a participating Party for use for international mitigation purposes other than achievement of its NDC or for other purposes, including as determined by the first transferring participating Party (hereinafter referred to as other international mitigation purposes);

Term	Definition
	(g) 6.4ERs under the mechanism established by Article 6, paragraph 4 when they are internationally transferred. (UNFCCC, 2019 ^[9])
International Transaction Log (ITL)	The International Transaction Log (ITL) connects registries and secretariat systems that are involved in the emissions trading mechanism defined under the Kyoto Protocol and its Doha amendment. One of the key mandates of the ITL is to ensure an accurate accounting and verification of transactions proposed by registries in order to support the review and compliance process of the Kyoto Protocol. (UNFCCC, n.d. ^[15])
Key categories	As defined by the IPCC, “a key category is prioritised within the national inventory system because its estimate has a significant influence on a country’s total inventory of greenhouse gases in terms of the absolute level, the trend, or the uncertainty in emissions and removals. Whenever the term key category is used, it includes both source and sink categories.” (IPCC, 2006) The identification of a country’s key categories occurs through the Key Category Analysis, which is described in Volume 1, Chapter 4 of the 2006 IPCC Guidelines. (Falduto and Wartmann, 2021 ^[10])
Least Developed Countries (LDCs)	Least developed countries (LDCs) are low-income countries confronting severe structural impediments to sustainable development. They are highly vulnerable to economic and environmental shocks and have low levels of human assets. At the time of publication, there are 46 countries on the list of LDCs which is reviewed every three years by the Committee for Development (CDP). (United Nations, n.d. ^[16])
Modalities, Procedures and Guidelines (MPGs)	The Paris Agreement (Article 13) establishes an Enhanced Transparency Framework designed to build trust and confidence that all countries are contributing their share to the global effort. The Annex to decision 18/CMA.1, adopted at CMA1 in 2018, fleshed out a framework that is applicable to all countries by adopting a detailed set of modalities, procedures and guidelines. (UNFCCC, n.d. ^[11])
National Communication (NC)	National communications are a key element of reporting under the Convention. Annex I Parties are required to prepare national communications every four years (Decision 9/CP.16). Non-Annex I Parties are required to submit their first NC within three years of entering the Convention, and every four years thereafter. The NCs from Annex I Parties shall be prepared in accordance with the guidelines contained in decision 6/CP.25, and the NCs from non-Annex I Parties shall be prepared in accordance with the guidelines in 17/CP.8.. The reporting procedure is currently undergoing the transition to the Enhanced Transparency Framework under the Paris Agreement.
Nationally Determined Contribution (NDC)	The Paris Agreement (Article 4, paragraph 2) requires each Party to prepare, communicate and maintain successive nationally determined contributions (NDCs) that it intends to achieve. NDCs indicate efforts by each country to address climate change with a focus on mitigation and many countries also include an adaptation component. (UNFCCC, n.d. ^[17])
National Inventory (NI)	A greenhouse gas inventory is an accounting of greenhouse gases (GHGs) emitted to or removed from the atmosphere by a specific country. An inventory will list, by source, the amount of pollutants emitted to the atmosphere during a given time period (annual emission estimates from a base year to the latest year).
National GHG Inventory Report (NIR)	Annex I Parties are required to submit an annual inventory submissions consisting of the national inventory report (NIR) and common reporting format (CRF). The NIRs contain detailed descriptive and numerical information and the CRF tables contain all greenhouse gas (GHG) emissions and removals, implied emission factors and activity data. The NIRs are published on the UNFCCC website.
Paris Agreement (PA)	The Paris Agreement is a legally binding international treaty on climate change. It was adopted by 196 Parties at COP 21 in Paris, on 12 December 2015 and entered into force on 4 November 2016. It aims to limit global average temperature increase to well below 2°C above pre-industrial levels while pursuing efforts to limit the temperature increase to 1.5°C. (UNFCCC, n.d. ^[18])
Rules, modalities and procedures (RMPs)	The Rules, modalities and procedures (RMPs) for the mechanism established by Article 6.4 of the Paris Agreement are being negotiated. These RMPs are to establish the processes that will guide the operationalisation of the Article 6.4 mechanism.
SEF Reporting tool	The SEF Reporting Tool is a tool under the Kyoto Protocol. Annex I Parties that are Parties to the Kyoto Protocol shall submit information on Kyoto Protocol units for the second commitment period for the reported year, in the form of SEF tables generated using the SEF Report Tool. Parties are also encouraged to submit information on Kyoto Protocol units for the first commitment period for the reported year using the same reporting tool. The SEF tables are then uploaded to the CRF Submission Module. (UNFCCC, 2019 ^[19])
Standard Independent Assessment Report (SIAR)	The Standard Independent Assessment Report (SIAR) is part of the annual review under Article 8 of the Kyoto Protocol of a Party’s GHG inventory and its holdings and transactions of Kyoto units reported in a SEF. The SIAR is prepared based on the information reported by each Party on holdings and transactions of Kyoto units that are reported in the SEF and contains a technical assessment of a Party’s reported information in the SEF.
Subsidiary Body for Scientific and Technological Advice (SBSTA)	The SBSTA is a permanent subsidiary body to the Convention established by the COP and it serves the COP on COP matters, the Kyoto Protocol on Kyoto Protocol matters (per paragraph 1 Article 15 of the Kyoto Protocol) and the Paris Agreement on Paris Agreement matters (per paragraph 1 Article 18 of the Paris Agreement).

Term	Definition
Small Island Developing States (SIDS)	Small Island Developing States (SIDS) are a distinct group of 38 UN Member States and 20 Non-UN Members/Associate Members of United Nations regional commissions that face unique social, economic and environmental vulnerabilities. Some SIDS are also LDCs. (United Nations, n.d. ^[20])
Transparency-Accuracy-Completeness-Comparability-Consistency (TACCC)	The TACCC principles originate from the IPCC guidelines for national greenhouse gas inventories and are applied to the preparation of national GHG inventories under the UNFCCC, as well as being part of the guiding principles in the modalities, procedures and guidelines for the transparency framework under the Paris Agreement. These principles are designed to promote environmental integrity, and to contribute to building mutual trust and confidence amongst Parties.
Technical Expert Review (TER)	Parties' BTRs are reviewed by the Technical Expert Review Team (TERT) during the Technical Expert Review (TER). The TERT shall make every effort to complete the technical expert review report as soon as possible and no later than one year from the start of the technical expert review process (18/CMA.1, annex, para. 162(h)). There are specific flexibility provisions for those developing country Parties that need it in the light of their capacities regarding the timing of some parts of the review process. (UNFCCC, 2019 ^[8])
Technical Team of Experts (TTE)	The Technical Team of Experts is responsible for undertaking technical analysis of biennial update reports (BURs) from Parties not included in Annex I to the Convention (non-Annex I Parties).
United Nations Framework Convention on Climate Change (UNFCCC)	The United Nations Framework Convention on Climate Change aims to stabilise greenhouse gas concentrations at a level that would prevent dangerous anthropogenic (human induced) interference with the climate system. It entered into force on 21 March 1994 and today has near-universal membership. (UNFCCC, n.d. ^[21])
Warsaw Framework on Reducing Emissions from Deforestation and forest Degradation (REDD+)	The Warsaw Framework on REDD+ was adopted at COP 19 in 2013 and is composed of seven decisions (9/CP.19, 10/CP.19, 11/CP.19, 12/CP.19, 13/CP.19, 14/CP.19, 15/CP.19.) (UNFCCC, n.d. ^[22])

Executive summary

Reporting and review requirements under the Paris Agreement include provisions on information on the use of cooperative approaches towards the implementation and achievement of Parties' Nationally Determined Contributions (NDCs). The reporting of such information cuts across Article 13 and Article 6.2 of the Paris Agreement. Guidelines already agreed under Article 13¹ require Parties to report, i.e., information necessary to track progress made in implementing and achieving their NDCs. Under Article 6.2 of the Paris Agreement, the draft CMA decision (from now on, draft A6.2 guidance)² indicates that Parties voluntarily engaging in cooperative approaches are to report information on the use of cooperative approaches involving the use of internationally transferred mitigation outcomes (ITMOs) towards their NDCs. Information reported under both Articles will need to undergo a technical expert review (TER) process.

The separate reporting and review requirements under the Article 13 modalities, procedures, and guidelines (MPGs) and draft A6.2 guidance are directly related to each other in terms of the content of the information to be reported and reviewed. However, draft A6.2 reporting and review provisions are less detailed than reporting and review provisions under the MPGs. Given the interplay, there are opportunities for fine-tuning draft A6.2 guidance to increase its synergy in relation to the MPGs and avoid ambiguities, inconsistencies, and other issues that may prevent Parties from effectively operationalising reporting and review provisions under Article 6.2.

This paper identifies and analyses issues related to the interplay of relevant reporting and review requirements under both Article 13 and Article 6 of the Paris Agreement, focusing on issues that relate to the timing, sequencing, and content of crosscutting information and co-ordination of the corresponding review processes. Further clarity on some of these provisions could help improve complementarity and consistency between the two sets of reporting and review provisions and help enhance efficiency and streamline the resources required for reporting and review. At the June 2021 informal dialogues on Article 6, the SBSTA Chair recognised that specific accounting and reporting cycle elements could be improved prior to COP26. While re-opening draft texts for Article 6.2 on reporting and review could entail some risks, making targeted and often minor changes to the current draft A6.2 guidance would greatly facilitate its future implementation. In turn, this would enhance compliance with previously-agreed Transparency,

¹ Guidelines for Parties' reporting and review under Article 13 were agreed at COP24 in 2018 and are outlined in the Annex to decision 18/CMA.1, i.e., the Modalities, Procedures, and Guidelines (MPGs).

² This draft Article 6.2 text is currently being negotiated under the SBSTA, and is due to be agreed at COP26 in November 2021. In this document, relevant reporting provisions are extracted from the MPGs agreed in 2018 and from the three draft Presidency texts from COP25 on guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement (from now on, draft A6.2 guidance) (UNFCCC, 2019^[24]; UNFCCC, 2019^[25]; UNFCCC, 2019^[9]).² Any differences across the three versions of the text are taken into consideration where relevant.

Accuracy, Consistency, Comparability and Completeness (TACCC) principles and could also help increase environmental ambition over time.

Overall, this paper highlights three ways these issues could be resolved within the UNFCCC negotiations - depending on their complexity. In particular:

- The upcoming negotiating session at COP26 could address issues that would require (sometimes only) minor additions or clarification to draft A6.2 guidance.
- Future SBSTA work could develop outlines for Article 6.2 reports, and modalities, procedures, and guidelines for Article 6 reviews, as well as other issues such as the format in which information is to be submitted in the Article 6 database or the CARP, as per paragraphs 3 and 4 of draft A6.2 guidance.

Beyond technical changes and amendments that could be addressed in the context of the climate change negotiations and SBSTA work, some issues related to the coordination and sequencing of reporting and review under Article 6.2 and Article 13 could be developed as an established practice following the launch of reporting and review processes under the Paris Agreement. This has, for example, been the case for some review processes carried out under the UNFCCC.

With regards to reporting provisions that concern the timing, content, and frequency of the three required types of information under Article 6.2 guidance (i.e., the initial report, annual information, and regular information), this document highlights that:

- For the initial report, the submission frequency could be clarified, and the scope of its content could be expanded. Draft A6.2 guidance could provide a more precise indication on whether an initial report is to be submitted more than once, e.g., at the beginning of each NDC cycle. Furthermore, the list of information elements to be included could be expanded to also include elements that will need to be reported under regular information - if such information is available when the initial report is submitted.
- For annual information, further clarity may be needed that this information is to be reported “annually”, and on which date. To alleviate the reporting burden on Parties and enhance efficiency, this information could be reported by the end of December of each year, allowing countries to pair this information with their BTR submission in even years.
- The relationship between “annual information” and the “annual information report” (which is included in Parties’ “regular information” reported via its BTR) could be clarified. There are substantial overlaps in terms of what is to be reported under annual information and in the annual information report under draft A6.2 guidance. Future A6.2 work under the SBSTA on reporting could link these two types of information more explicit and work on further harmonising the reporting requirements between the two. Furthermore, additional clarity could be provided on the format of the annual information report.

A lot of the information to be reported under Article 6.2 guidance relates to information on the first transfer and use of ITMOs, as these steps trigger the application of corresponding adjustments. However, there can be a significant time lag between these two steps. It is currently unclear whether the transferring Party and acquiring Party both need to wait for a given ITMO to be used before reporting on it. If that is the case, it is unclear what implication this would have for Party reporting, the TACCC principles, banking of ITMOs across different NDC implementation periods, and forward planning by the transferring Party. Other areas where current draft A6.2 guidance could usefully be elaborated are identified in this paper and include:

- What “applying” a corresponding adjustment means in practice (e.g. performing this adjustment, reporting the adjusted information) and the maximum time lag between these two steps.

- An explicit indication of whether banking of ITMOs across different NDC implementation periods can occur, and if not, what provisions would need to be added to prevent it.
- Further guidance on whether ITMOs associated with emission removal activities are to be reported separately from ITMOs associated with emission reductions and whether the Party transferring or using such ITMOs would be liable to address any reversals of emissions removals. In addition, information on how risks of non-permanence are minimised, and information needed to track and address the potential reversal of emission removals, could be included in Parties' initial reports, annual and regular information.
- The relative vintage of ITMO and inventory information when calculating and reporting corresponding adjustments, as information on ITMO transfer may be available 2-3 years before GHG information for the same year. At present, draft A6.2 guidance does not clarify for which years information on ITMOs and corresponding adjustments shall be reported. For example, draft A6.2 guidance could provide that Parties are required to only apply corresponding adjustments for years for which information on GHG emissions is available.

Regarding review provisions, this document finds that draft A6.2 guidance could usefully provide further detail on some procedural and substantive aspects of the Article 6 review process. In the context of the ongoing negotiations, a minor adjustment could be adding a serial number to the ITMOs as part of their unique identifiers. This could facilitate the review process by allowing for greater automation, thereby sparing the need for time-consuming manual checks and facilitating the identification of errors and inconsistencies. For substantive issues that could be elaborated in the context of future work under the SBSTA on Article 6 review, this paper finds that it would be useful to consider and provide more detail on (i) the frequency and format of technical expert reviews, namely centralised, in-country, desk or simplified review and when they are applicable; (ii) confidentiality; (iii) roles of the Party, the TER team and the secretariat in the review, and; (iv) TER team and institutional arrangements, including requirements for the review experts, TER team composition and role of the lead reviewers. The paper also suggests that it would be helpful to provide further detail on the timeline and steps of the Article 6 review so that they are co-ordinated with the Article 13 timeline and steps as reflected in the MPGs.

1. Introduction

The Paris Agreement requires or requests Parties to provide information on different elements, including greenhouse gas inventories, progress made in implementing and achieving nationally determined contributions (NDCs), impacts and adaptation, and support provided or needed (as appropriate). The information provided on greenhouse gas inventories, progress made in implementing and achieving NDCs, and support provided is subject to technical expert review. Overall the reporting and review process is designed to build mutual trust between Parties and promote the effective implementation of the Agreement. Planned and agreed reporting and review requirements under the Paris Agreement include provisions on the use of **cooperative approaches** towards the implementation and achievement of Parties' NDCs. The reporting of such information cuts across Article 13 and Article 6.2 of the Paris Agreement. Under Article 13, Parties are required to report, i.a., information that is necessary to track progress made in implementing and achieving NDCs. Under Article 6.2 of the Paris Agreement, Parties are required to report information on the use of cooperative approaches involving the use of internationally transferred mitigation outcomes (ITMOs) towards NDCs.

Detailed reporting and review requirements under Article 13 on the information necessary to track progress made in implementing and achieving NDCs are outlined in the annex to decision 18/CMA.1, i.e., the Modalities, Procedures, and Guidelines (MPGs) agreed at COP24 in 2018. This includes guidance on what to report concerning cooperative approaches. On the other hand, the rules, modalities, and procedures (RMPs) for Article 6 are currently under discussion and are to be developed by the Subsidiary Body for Scientific and Technological Advice (SBSTA) for adoption by COP26. As part of this work, Parties are negotiating Article 6.2 guidance on accounting, reporting, and review (from now on, draft A6.2 guidance). Reporting and review requirements under the MPGs and draft Article 6.2 guidance are directly related in terms of the content of the information to be reported and reviewed and the timing and sequencing of the required reports. Given this interplay, there are opportunities for fine-tuning draft Article 6.2 guidance in relation to the MPGs to avoid conflicting requirements, ambiguities, and other issues that may prevent Parties from effectively operationalising Article 6.2 guidance.

This paper identifies and analyses issues related to the interplay of relevant reporting and review requirements under both Article 13 and Article 6.2 of the Paris Agreement, focusing on the complementarity and consistency in the timing, sequencing, and content of crosscutting information. The paper also outlines outstanding issues that may undermine the effectiveness or efficiency of reporting under Article 6.2, highlights reporting and review provisions that may benefit from further clarification, and identifies opportunities for fine-tuning draft reporting and review requirements under Article 6.2.

This paper is structured as follows. Section 2. provides an overview of the principal outstanding issues related to reporting information under Article 6.2 and their interplay with Article 13 reporting. Section 3. analyses key issues related to the accounting of ITMOs and how they can be affected by the timing of Article 13 reporting. Section 4. outlines agreed and planned review provisions under Articles 13 and 6 of the Paris Agreement and highlights key issues related to the timing and scope of review processes under both Articles. Section 5. presents conclusions.³

³ 5. Annex A provides a detailed overview of the agreed and planned reporting requirements for information on cooperative approaches under Articles 13 and 6 of the Paris Agreement, and an overview of the primary means through which reporting is to take place.

2. Article 6 reporting and interplay with Article 13

In the context of the international climate change negotiations, the MPGs and draft A6.2 guidance have been or are being discussed under different SBSTA agenda items, in most cases by different negotiators. At the same time, several crosscutting issues and informational elements are captured under both reporting guidelines. For example, some of the informational elements included in draft A6.2 guidance shall be included in Parties' Biennial Transparency Reports (BTRs) (see 5. Annex A for a detailed overview of reporting requirements under both Articles). Hence, it would be important that the reporting requirements under Article 13 and Article 6 are harmonised and complementary to the extent possible. This is reflected in the SBSTA Chair's summary prepared to reflect the June 2021 informal consultations on Article 6, which recalls a point made during the discussion, namely that "Article 6 needs to be compatible with Article 13" (UNFCCC SBSTA, 2021^[23]).

To ensure that Parties' voluntary participation in Article 6 meets transparency and environmental integrity requirements, some specific information on Article 6 cooperation is needed. This will thus lead to additional reporting requirements on Parties. Therefore, to ensure that reporting remains as transparent and as complete as possible while also easing countries' reporting burden, it is worth exploring how the reporting under Article 6.2 and its interplay with reporting provisions under Article 13 would work in practice. This exercise could help identify opportunities for improving the flow of information to be reported and establish a reporting infrastructure that could help Parties avoid reporting the same elements more than once. Streamlining the reporting of information will also enhance the efficiency of the corresponding review process.

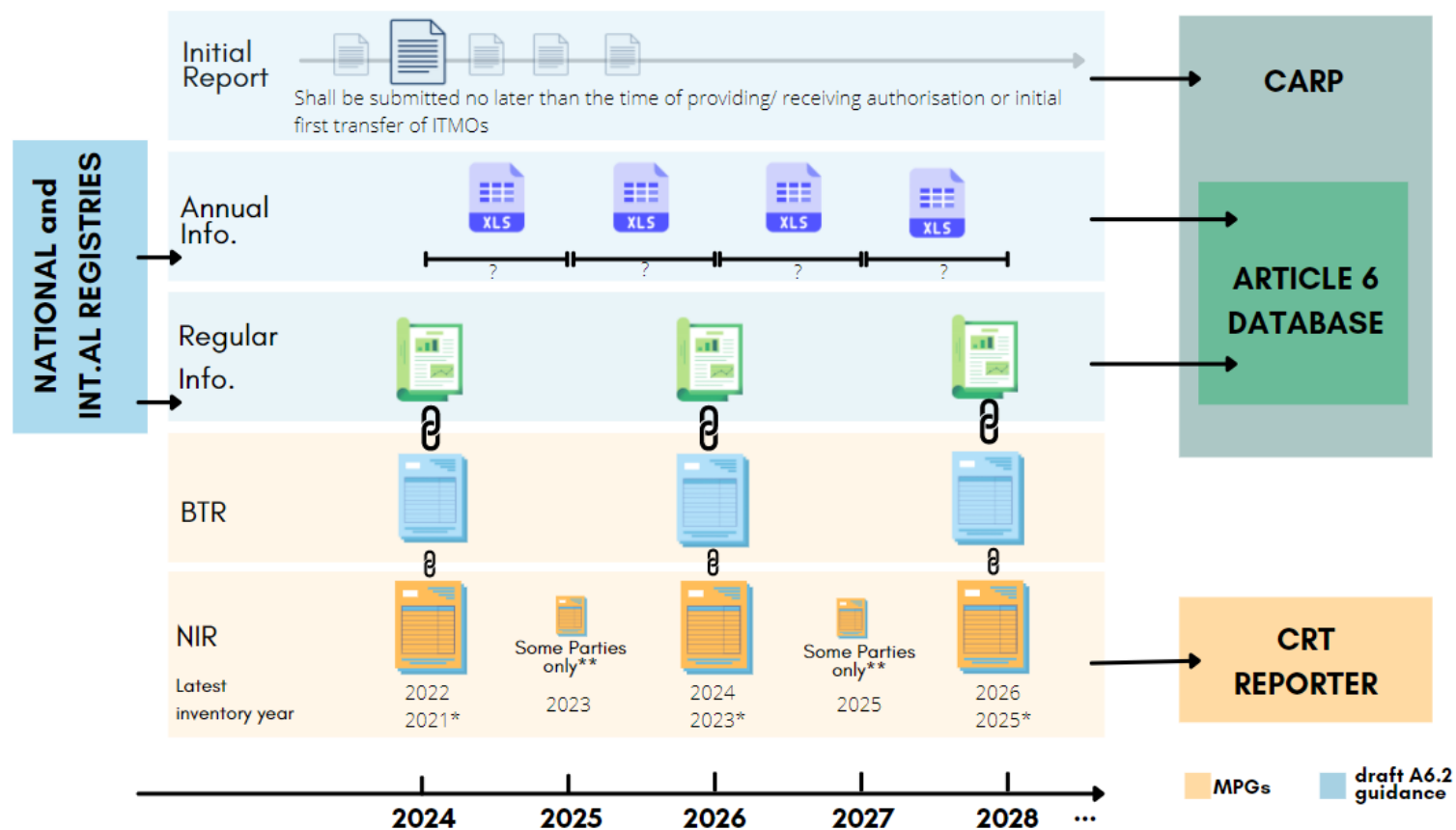
In this light, this section provides an overview of outstanding practical issues that relate to the timing, sequencing, and content of information to be reported under draft A6.2 guidance, namely initial report, annual information, and regular information. Where relevant, this section explores the interplay between elements of this information and similar or crosscutting information to be reported under Article 13 of the Paris Agreement. The section highlights, for each outstanding issue, whether further clarity would be needed in draft A6.2 guidance, whether these issues could be addressed in future work on Article 6.2 under the SBSTA⁴ or whether these are operational issues that can be resolved as Parties proceed in the implementation phase of the ETF and Article 6.2 reporting.

⁴ As further explored in Annex A, paragraph 3 of draft A6.2 guidance requests the SBSTA to develop, inter alia, outlines for the information required to chapter IV of the guidance (i.e. Reporting). This can imply that any further refinement to any A6.2 guidance if agreed by Parties at COP26, can be undertaken as part of future work under the SBSTA.

An overview of reporting timelines under Articles 6 and 13 of the Paris Agreement and the interplay between different reports and reporting platforms are presented in Figure 1. Relevant reporting provisions are extracted from the MPGs agreed in 2018 and from the three draft Presidency texts from COP25 on guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement (UNFCCC, 2019^[24]; UNFCCC, 2019^[25]; UNFCCC, 2019^[9]).⁵ Any differences across the three versions of the text are highlighted where relevant. 5. Annex B includes relevant excerpts from the MPGs and draft A6.2 guidance.

⁵ Between April and June 2021, the SBSTA Chair, Tosi Mpanu Mpanu, held a series of informal consultations/informal technical expert dialogues in relation to Article 6 of the Paris Agreement (UNFCCC, 2021^[39]). During these consultations, issues relevant for reporting and review under Article 6.2 of the Paris Agreement were discussed. For each informal consultation/informal technical expert dialogue, the Chair produced under his own authority a summary note, with no formal status (UNFCCC, 2021^[40]; UNFCCC, 2021^[41]). Where relevant, these summaries are used to inform this paper.

Figure 1. Overview of reporting timelines under Articles 6 and 13 of the Paris Agreement



Note: * if flexibility is applied by those developing countries that need it in the light of their capacity; ** Parties in Annex I to the Convention

Source: Authors.

2.1. Outstanding issues related to initial report submission

This section explores some outstanding issues and open questions that would benefit from further clarification related to the preparation and submission of the initial report (an overview of the informational elements to be included in the initial report are presented in 5. Annex A). This includes outstanding issues related to content, frequency of reporting and interaction with relevant reports under the MPGs.

2.1.1. Content, timing, and frequency of initial reports

Several Parties are of the view that more information on cooperative approaches could be included in the initial report (European Commission, 2021^[26]; AOSIS, 2021^[27]; UNFCCC SBSTA, 2021^[23]).⁶ These Parties note that by the time the initial report is due, a Party engaging in a cooperative approach would possess more information and detail than what is currently required by draft A6.2 guidance. Some Parties note that some of the information included in regular information could also be provided in the initial report. During the negotiations on draft A6.2 guidance, some Parties referred expressly to paragraph 22(b) of the third version of draft A6.2 guidance, which requires Parties to include in the regular information, i.a., information on how a cooperative approach ensures environmental integrity. Furthermore, one Party argues that the information in the initial report could also be complemented by including or making reference to the specific legal act that authorises a cooperative approach.

Indeed, expanding the scope of the initial report to incorporate some of the informational elements currently included under the regular information in draft A6.2 guidance could enhance the environmental integrity of cooperative approaches as Parties would need to specify up front how environmental integrity is ensured. Any adjustments or clarifications that relate to the content of the initial report, however, would ideally need to be addressed at COP26 and included in any A6.2 guidance.

Furthermore, the frequency of initial reporting is not clarified by draft A6.2 guidance but could usefully be done so in a final version. Some Parties interpret the current draft A6.2 guidance text to mean that the initial report is to be submitted only once. In contrast, others are of the view that an initial report may be necessary any time authorisation or initial first transfer of ITMOs is provided or received or at the beginning of each NDC cycle. Indeed, seeing initial reports as a recurrent submission could promote transparency and environmental integrity.

However, information on the fulfilment of the participation responsibilities referred to in draft A6.2 guidance in the part of the initial report as well as any updates thereof “shall” also be provided in the context of regular information reporting (§21.a and §21.b of draft A6.2 guidance). Furthermore, under draft A6.2 guidance, Parties “shall” include in regular information indications on how they are fulfilling the participation responsibilities referred to in A6.2 guidance (§21.a of draft A6.3 guidance). Therefore, de facto, regular reporting (and review of those reports) may suffice to periodically verify that the participating Party continues to meet the participation responsibilities.

Most of the information to be provided in the initial report will likely be reported in the form of a Word or PDF document that will be submitted to the UNFCCC secretariat. However, as per paragraph 19 of draft A6.2 guidance, information required by paragraph 18.f of draft A6.2 guidance (i.e., description of the cooperative approach, the expected mitigation, and the participating Parties involved) on any *further* cooperative approach “shall” also be submitted to the Centralized Accounting and Reporting Platform

⁶ Numerous Parties have shared their views on issues relating to Article 6.2 reporting and review in response to a call for submissions announced by the SBSTA Chair in April 2021, ahead of the May-June 2021 Climate Change Conference.

(CARP) (see 5. Annex A for further detail on the CARP). It remains to be clarified, possibly in future work on Article 6 reporting infrastructure, whether such information will be required to be submitted in a machine-readable format, e.g., as data points or an MS Excel file, or as, e.g., a PDF document.

A few elements would benefit from further clarification concerning the provisions of paragraphs 18.f and 19 of draft A6.2 guidance. First, more clarity is needed on *what* is meant by the “any further cooperative approach” detailed in paragraph 19 of draft A6.2 guidance. Namely, whether it means that any future cooperative approaches that are not initially detailed in the initial report would have to be included in the CARP, or whether information under paragraph 18.f included in the initial report, along with any future cooperative approaches, would also have to be submitted to the CARP.

Second, draft A6.2 guidance does not clarify *when* information required under paragraph 18(f) for each *further* cooperative approach (E.g. approaches not detailed in the initial report) “shall” be submitted to the CARP. It would be helpful for any future work on A6.2 under the SBSTA to clarify whether this information would need to be submitted by Parties as soon as it is available or whether Parties would need to wait for the submission of the next due BTR, when other information on A6.2 (e.g., regular information) is to be provided. If the initial report is regarded as a recurring submission, e.g. at the beginning of each NDC cycle, information requested by paragraph 18.f of draft A6.2 guidance on further cooperative approaches could also potentially be included in subsequent initial reports.

Overall, as noted by some Parties, submitting information detailed in paragraph 18.f of draft A6.2 guidance to the CARP as soon as it is available may be the most transparent option (AOSIS, 2021^[27]). Particularly if such information is to be inputted electronically in the system as data points and therefore could become publicly available in real-time. For the purpose of completeness, the inputted information in the CARP may also subsequently be included in the BTR or, potentially, in a subsequent initial report. However, any agreement on the timing of submission of information under paragraph 18(f) to the CARP (i.e. whether it is submitted in real-time or once a year) may need to be postponed to a time when the functioning and structure of the CARP will be discussed and after any A6.2 guidance is agreed.

2.1.2. Relationship between initial report, BTRs, and National Inventory Reports (NIRs)

The timing and content of BTR and National Inventory Report (NIR) submissions are particularly relevant for preparing initial reports.⁷ According to draft A6.2 guidance, the initial report “shall” contain information to demonstrate that the participating Party fulfils the participation responsibilities referred to in chapter II of draft A6.2 guidance. These include having provided the most recent NIR required in accordance with the MPGs (§4.e of draft A6.2 guidance). Taking into account available information on the timing of initial report submission and on the timing of BTR submission under the MPGs, there are at least three options available to Parties with regards to the timing of the submission of the initial report:

- The initial report is provided before the submission of the BTR, given that, at a minimum, the Party has already submitted a NIR under the MPGs.
- The initial report is provided in conjunction with the Party’s BTR and NIR.
- The initial report is submitted after the BTR.

On the one hand, submitting the initial report in conjunction with the Party’s BTR and NIR would seem the most efficient option for administrative effectiveness and resources employed to produce the reports (IGES, 2021^[28]). This is mainly because some of the information to be included in a Party’s initial report “shall” also be included in the Party’s BTR. According to draft A6.2 guidance, the initial report “shall”

⁷ See 5. Annex A for further details on timing and reporting requirements for Parties’ BTRs and NIRs.

provide, where the participating Party has not yet submitted a BTR, the information referred to in paragraph 64 of the MPGs (i.e., a description of the Party's NDC). On the other hand, submitting the initial report in conjunction with the Party's BTR may create challenges for the review process of the BTR and NIR, as the review of the initial report would have to be conducted ahead of the BTR/NIR review. These issues are further explored in section 4.

It could also be assumed that only a limited number of Parties will be able to provide both a NIR and an initial report ahead of 2024. This is because in the initial report, as part of the information on participation responsibilities, each Participating Party "shall ensure" that it has arrangements in place for tracking ITMOs and for authorising the use of ITMOs towards NDCs. Therefore, it may take some time for Parties to put in place infrastructure and arrangements for tracking ITMOs.⁸ Submitting the initial report after the BTR, e.g., in 2025 or one year after the submission of the BTR from the second BTR cycle onwards, would not, in principle, excessively increase the reporting burden on Parties. This is because, presumably, information to be provided under paragraph 64 of the MPGs and to be included in the initial report where not submitted in conjunction with the BTR, would, in most circumstances, remain unchanged during an NDC cycle.

A further important point to consider is that it might be challenging for some Parties' to submit BTRs every two years without support for capacity building, and therefore the timing of BTRs and NIRs may be uneven across Parties, with implications on Article 6.2 accounting and reporting (see section 3.). Reporting experience under the current reporting framework shows that some non-Annex I Parties, in practice, are not submitting their BURs or NCs regularly (Ellis et al., 2018^[29]). This is because non-Annex I Parties face challenges in terms of available capacity, institutional arrangements, and resources, which can sometimes hinder their ability to ensure regular reporting. Given these experiences and without pre-judging Parties' ability to implement the MPGs in terms of frequency of reporting, it seems that without sustained capacity-building and support, some developing country Parties may find it challenging to meet the reporting requirements on frequency outlined in the MPGs.

2.2. Outstanding issues related to the reporting of annual information

This section explores outstanding issues and open questions that would benefit from further clarification in relation to the preparation and submission of the annual information, including on content, frequency of reporting and interaction with relevant reports under the MPGs. An overview of the informational elements to be included in the annual information are presented in 5. Annex A.

2.2.1. Timing of annual information reporting

Annual information "shall" be submitted by participating Parties "on an annual basis" to the Article 6 database (§20 of the draft A6.2 guidance). While "on an annual basis" may be interpreted to mean that annual information shall be submitted every year, it could also be interpreted to mean that the informational elements required for annual information shall be provided for each year. As also pointed out by some Parties, it would be helpful for draft A6.2 guidance to clarify this point and specify the timing and frequency of the submission (e.g. indicating that annual information is to be provided "annually" and timing within the year) (AOSIS, 2021^[27]; European Commission, 2021^[26]).

⁸ Furthermore, any A6.2 guidance and related future work under the SBSTA may not include sufficient degree of detail to allow for ITMO transfer before 2024.

Unlike other existing UNFCCC reporting guidance for other reports⁹, draft A6.2 guidance does not specify by which date in a calendar year the annual information shall be reported. Clarifying this point in future SBSTA work on A6.2 reporting would be helpful so that Parties can organise and schedule their reporting processes. It would also facilitate ITMO accounting (see section 3.) if the information is reported around the same time rather than spread out throughout the year. Further, if the content of annual information is to be reflected in the annual report to the CMA, the annual information would need to be submitted well before October every year (Michaelowa et al., 2021^[30]). In practice, as there is some overlap between the content of information to be reported under regular information and annual information, it may be more efficient for Parties to report annual information at the same time as regular information, i.e., in conjunction with the BTR (at least for the years in which a BTR is due).

2.2.2. Reporting platform and format

Annual information shall be submitted to the Article 6 database in an agreed electronic format (§20 of draft A6.2 guidance). Discussions on the structure of such an electronic format have not yet been initiated. Similarly, the layout, design, and functioning of the Article 6 database are not yet defined (see 5. Annex A). However, paragraph 32.b of draft A6.2 guidance indicates that the Article 6 database “shall” enable the prefilling of agreed electronic format tables used for reporting (§32.b of draft A6.2 guidance). Under current reporting arrangements, some Parties have already been providing information through the use of electronic format tables prefilled by a reporting tool, such as the common reporting format (CRF) tables used by Annex I Parties to report national GHG inventories under the Convention.¹⁰ Depending on how Parties will input information in the Article 6 database, this may include the option of inputting data points outlined in paragraph 20 of draft A6.2 guidance (e.g., ITMO transfer, holdings, acquisition and cancellation) through a reporting tool. If such an interface were to build on current quantitative electronic reporting tools under the UNFCCC, such as the [CRF Reporter](#) or the [SEF Report Tool](#) (see Box 1), this information could then be automatically generated in the form of electronic reporting tables and stored in the Article 6 database.

Making use of electronic reporting for quantitative information on ITMO transfer, acquisition, holdings, and cancellation would provide numerous benefits. Firstly, electronically reported information is machine-readable, which means a computer can efficiently process the information for analysis. Secondly, information reported electronically would be, to some extent, standardised, particularly if the electronic format tables are prefilled by a reporting tool. This would further facilitate data analysis by potentially allowing for some form of data aggregation and disaggregation. Thirdly, depending on the characteristics and functions of the Article 6 database and any associated reporting tool, electronic reporting may facilitate the reporting process by reducing the number of times the same information has to be entered. Finally, electronic reporting of information can also significantly reduce errors and inconsistencies, thereby facilitating the review of this information by the Article 6 TER team in accordance with paragraphs 25 and 26 of draft A62 guidance. For example, similar to the CRF Reporter, the Article 6 database could be designed in such a way as to perform some basic calculations, quality checks and/or allow for the automatic filling of certain fields.

⁹ This includes e.g. reporting guidelines on annual inventories for Annex I Parties, outlined in decision 24/CP.19

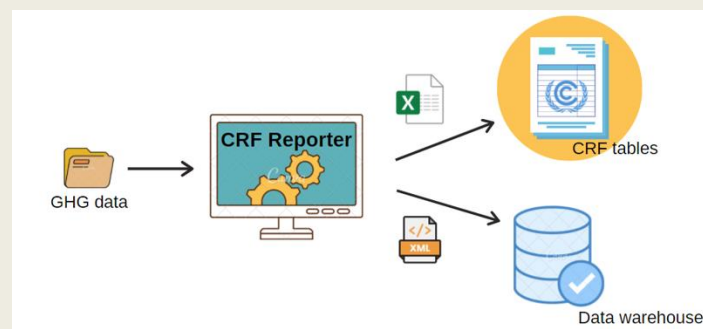
¹⁰ See (Falduto, Wartmann and Rocha, 2020^[35]; Falduto and Wartmann, 2021^[10])

Box 1. Electronic reporting under the UNFCCC: the CRF Reporter

Under the current reporting framework, Annex I Parties are required to electronically report national GHG inventories using CRF tables. CRF tables for GHG inventories are reported annually in the form of MS Excel tables that are generated by a reporting software: the CRF Reporter. The CRF Reporter is a web-based software developed by the UNFCCC secretariat to facilitate Annex I Parties' inventory reporting to the UNFCCC (see Figure 2). The CRF Reporter generates the CRF tables upon inputting data points, e.g., emissions estimates or activity data. The CRF Reporter thereafter generates the CRF tables in an MS Excel format and an XML file fed, upon submission by a Party, into a data warehouse system that is maintained by the secretariat. Information in this data warehouse is used for several purposes. For example, it is used in the tools facilitating the review of Annex I Parties' GHG inventories and into the UNFCCC's GHG data interface, which presents at the UNFCCC site GHG emissions reported by Annex I and non-Annex I Parties.

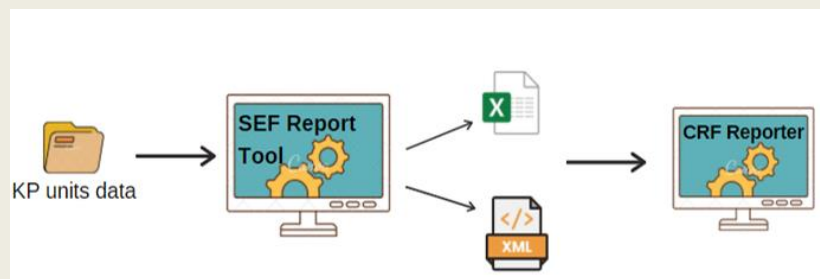
A similar reporting system exists for the reporting of Kyoto Protocol Units, whereby Annex I Parties are required to electronically report Kyoto Protocol units using a Standard Electronic Format (SEF). SEF tables are reported annually in the form of MS Excel tables generated by the SEF Report tool. Similar to the CRF Reporter, data points are inputted into the SEF Report tool and reports are generated as tables in MS Excel and XML file formats. The Excel and XML files are uploaded individually in the CRF Reporter submission module.

Figure 2. Electronic reporting of national GHG inventories



Source: Authors.

Figure 3. Electronic reporting of KP Units



Source: Authors, based on (Falduto and Wartmann, 2021^[10]).

2.3. Outstanding issues related to the reporting of regular information

This section explores outstanding issues and open questions that would benefit from further clarification related to the preparation and submission of the regular information, including on content, frequency of reporting, and interaction with relevant reports under the Article 13 MPGs. An overview of the informational elements to be included in the regular information are presented in 5. Annex A.

2.3.1. Content of regular information and linkages with annual information

Regular information would include reporting on both qualitative/narrative and quantitative/nominal¹¹ information. In particular, information required under paragraph 21 of draft A6.2 guidance is likely to be reported in a qualitative/narrative format. Under paragraph 22 of draft A6.2 guidance, information required includes some quantitative information (e.g., measurement of mitigation co-benefits). The information required under paragraph 23 of draft A6.2 guidance is quantitative or nominal, except for paragraph 23.h.

As part of regular information, Parties “shall” include in each BTR an annual information report. Draft A6.2 guidance does not clarify whether and how such a report is related to the “annual information” that Parties have to report under paragraph 20 of draft A6.2 guidance (see page 24). It would seem plausible that the annual information report under paragraph 23 of draft A6.2 guidance would contain the same information as the annual information required by paragraph 20 of draft A6.2 guidance since they are both “annual information” reported through the Article 6 database. However, although the reporting requirements for the “annual information report” (§23 of draft A6.2 guidance) are almost the same as those for the “annual information” (§20 of draft A6.2 guidance), they also include the obligation to report “Annual and cumulative emissions and removals from the sectors and greenhouse gases covered by its NDC” (§23.a of draft A6.2 guidance). It is therefore unclear whether these would be the same reports, and the information that is submitted to the Article 6 database should also be included in the BTR (biannually), or in the less likely case, whether these are two separate information reports, both to be submitted annually to the Article 6 database. It would be helpful for any final draft A6.2 guidance or for future work under the SBSTA on any A6.2 guidance to provide more clarity on the linkage between the annual information report, annual information and the BTR. Benefits from linking these two types of information are explored below.

2.3.2. Reporting format of the annual information

It remains to be clarified how and where regular information required under paragraphs 21, 22 and 23 of draft A6.2 guidance is to be integrated in a Party’s BTR. The outline of the BTRs and the CTFs for the reporting of information necessary to track progress made in implementing and achieving NDCs (including the structured summary) are currently being discussed under the SBSTA and are expected to be finalised and adopted by CMA3, in November 2021. The current list of draft elements for the outline of the BTR, as included in the informal note by the co-facilitators in June 2021, does not make reference to regular information under Article 6.2 (UNFCCC, 2021^[31]). While it could be useful to ensure that, to some extent, the BTR outline takes into account reporting requirements under draft A6.2 guidance, the clearest approach would be that of adding regular information as an annex to the BTR. This is because Article 6.2 reporting is only mandatory for Parties participating in cooperative approaches, and thus not a requirement for all Parties. Furthermore, the reporting of such information in the form of an annex may also facilitate the TER. Information to be reported under paragraphs 21 and 22 of draft A6.2 guidance can be easily reported in a narrative document that could form part of such annex. For the purpose of clarity, it would be

¹¹ Nominal information includes information that can be provided via standardised labels, e.g. sector or Party. Such information could be integrated in electronic reporting via the use of drop-down menus and lists.

helpful for any future SBSTA work on A6.2 reporting to clarify the modalities for integrating regular information into the BTR.

With regards to information required under paragraph 23 of draft A6.2 guidance, further considerations could be made. Firstly, information under this paragraph is to be included in an “annual information report” (§23 of draft A6.2 guidance). It would be useful for draft A6.2 guidance to clarify whether the reference to an “annual information report” implies that information under paragraph 23 is to be reported separately from the regular information outlined in paragraphs 21 and 22.

Secondly, information under paragraph 23 of draft A6.2 guidance “shall” also be reported in the Article 6 database. Draft A6.2 guidance does not provide any details in terms of the format in which this information is to be provided. Importantly, paragraph 77.d of the MPGs requires that each Party that participates in cooperative approaches “shall” report in the structured summary, inter alia, “any other information consistent with decisions adopted by the CMA under Article 6” (UNFCCC, 2019^[8]). It remains to be clarified whether such information could potentially include the elements outlined in paragraph 23 of draft A6.2 guidance, as some of these would be necessary for the reporting of information under paragraph 77.d(ii). As the reporting format for the structured summary is being developed in parallel to ongoing A6.2 guidance discussions, and as a decision on both elements is expected at the same time (i.e. at COP26), it may be challenging to ensure that elements outlined in paragraph 23 of draft A6.2 guidance are included in the structured summary.

2.3.3. Timing of regular information reporting and relationship between initial report, regular information, BTRs, and National Inventory Reports (NIRs)

According to draft A6.2 guidance, each participating Party “shall” include “regular information” in their BTR (§21 of the draft A6.2 guidance). This means that the regular information is due at the same time as the participating Party’s next BTR, and therefore submitted biennially. However, an issue that remains to be clarified is whether regular information to be provided under paragraph 23 of draft A6.2 guidance is also to be submitted biennially. Paragraph 23 states that “each participating Party shall include the following *annual* information report [...]” in each BTR and in the Article 6 database (UNFCCC, 2019^[24]; UNFCCC, 2019^[25]; UNFCCC, 2019^[9]).

This could mean one of two options below:

- Two annual information reports would be included in each BTR, covering each information on the reporting years covered by the BTR, and annual information reports would be submitted in the Article 6 database either annually or biennially;
- For even years, the annual information report would be included in the BTR and for odd years, the annual information report would be submitted separately. Information in the Article 6 database would be submitted annually.

The second option would have the advantage of allowing for the regular provision of information on ITMO accounting, which presents strong linkages with the annual information of paragraph 20 of A6.2 guidance. This option would also reduce the reporting burden on Parties as it would reduce the number of reports and information to be reported by Parties in conjunction with the BTR.

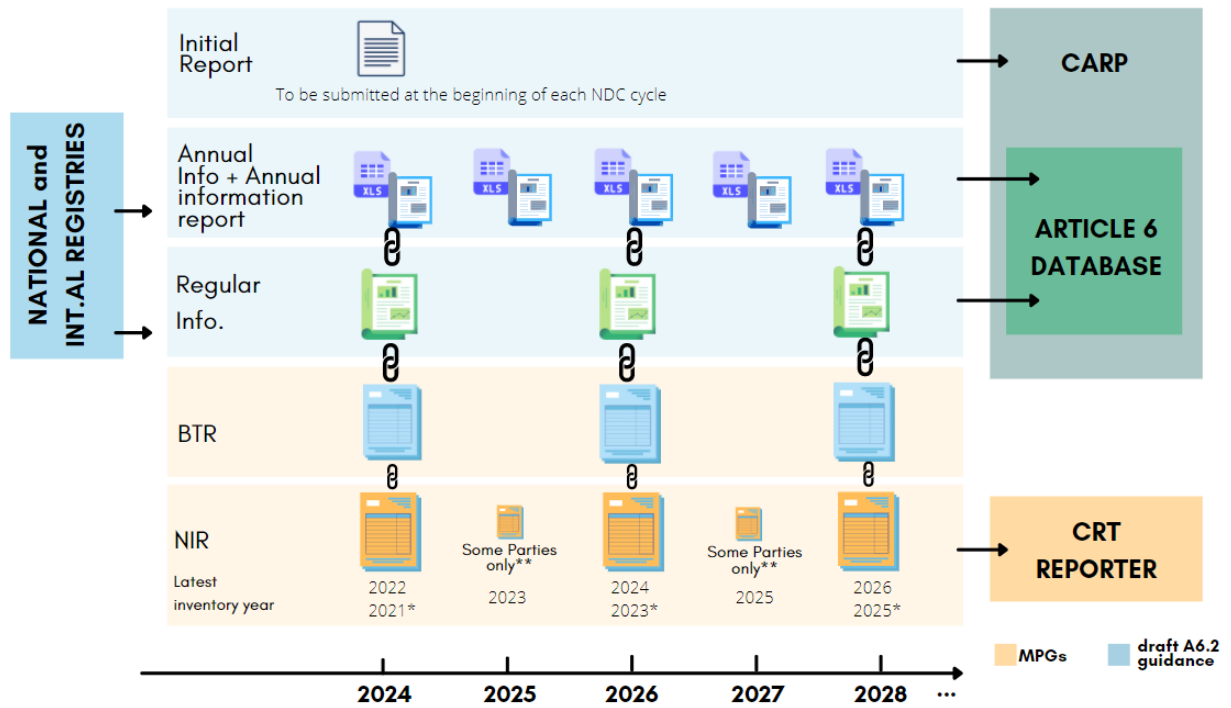
2.4. Opportunities for ensuring internal consistency in reporting requirements under Article 6.2 and coordination with Article 13 reporting

The issues highlighted in this section reveal that there may be opportunities for providing clarification in guidelines for A6.2 reporting, with the aim of simplifying the reporting process under Article 6.2 while maximising synergies with Article 13 reporting. Options for a lighter reporting process could, in turn, ease the reporting burden of Parties and contribute to enhancing TACCC principles.

Figure 5 below provides an overview of what could be a simplified and streamlined reporting process under Article 6.2, and its interplay with reporting provisions under Article 13. This proposal has been developed taking into consideration issues identified in the previous sub-sections. Under this proposal:

- The initial report would be submitted at the time of providing or receiving authorisation or initial first transfer of ITMOs from a cooperative approach, in accordance with what is currently included in draft A6.2 guidance. The initial report could thereafter be provided at the beginning of each NDC cycle to ensure that each Party demonstrates that it is fulfilling participation requirements and providing any updates to ITMO metrics or methods for corresponding adjustments.
- Annual information would be submitted along with the annual information report, on a yearly basis. This option would seem to promote efficient reporting for Parties, as there is a significant overlap in the information that is to be reported following requirements of the draft A6.2 guidance for the annual information and for the annual information report. Furthermore, elements included in both annual information and in the annual information report “shall” be submitted in the Article 6 database. To address this issue, draft A6.2 guidance could be streamlined so as to make clearer the links between the annual information and annual information report. Annual information could include the elements currently listed in paragraph 20 of draft A6.2 guidance and elements included in paragraphs 23.a-f, all this being quantitative information that can be easily inputted into the Article 6 database. The annual information report could complement annual information with more qualitative or descriptive information in a narrative format and be submitted as a PDF report. To ensure coordination with other reporting requirements, the annual information report could be submitted by December of each year, and in conjunction with the BTR for years in which a BTR is due.
- Regular information could be reported, as currently planned, in conjunction with the Party's BTR. It could be attached to the BTR in the form of an annex. In light of the considerations made in the point above, regular information could include only what is currently listed in paragraphs 21 and 22 of draft A6.2 guidance.

Figure 4. Potential option for streamlining reporting under Article 6.2



Note: * if flexibility is applied by those developing countries that need it in the light of their capacity; ** Parties in Annex I to the Convention
 Source: Authors.

3. Timing issues related to ITMO accounting and corresponding adjustments

Under draft A6.2 guidance, Parties are required to report, i.a. information on their emissions balance, ITMO transfer and use, and corresponding adjustments. Under the MPGs, this same information will implicitly be needed to report an “emissions balance [...] adjusted on the basis of corresponding adjustments undertaken by effecting an addition for ITMOs first-transferred/transferred and a subtraction for ITMOs used/acquired” (§77.d of draft the MPGs). ITMOs can be generated in different ways, including via the international transfer of mitigation outcomes from activities registered under the Article 6.4 mechanism. There can be a variable and potentially long time lag between when ITMOs are generated and when they are authorised, transferred and used. However, there is limited guidance in draft A6.2 guidance in terms of e.g. timing of ITMO reporting and timing of application of corresponding adjustments. This section provides an overview of the impact of time lags and other timing issues that relate to ITMO accounting, application and reporting of corresponding adjustments in the context of A6.2 reporting, and the interplay with other reporting requirements under the MPGs.¹²

3.1. Time lags between transfer and use of ITMOs

There may be a significant time lag between the year in which mitigation outcomes are generated and the year in which they are internationally transferred (see Figure 5). Unless specific provisions on the validity period for an ITMO are introduced, there could also be a significant time lag between when an ITMO is acquired and when it is used. This will mean that a country’s emissions balance in a given year can differ from its level of national GHG emissions in the scope of its NDC, as laid out in paragraph 77.d of the Annex to decision 18/CMA.1. This can have significant implications on the time series of information that would

¹² It is not yet clear whether ITMOs will be solely in GHG metrics, or also in non-GHG metrics. In order for reporting and review of any ITMOs in non-GHG metrics to meet the TACCC principles, additional elements may need to be included. However, discussion of this issue is outside the scope of this paper.

need to be reported in order to ensure transparency¹³, particularly if ITMOs generated in the implementation period for a given NDC can be used in subsequent implementation periods.¹⁴

Time lags between the generation, first transfer and use of credits under the Kyoto Protocol's Clean Development Mechanism, as well as the KP's banking provisions, could lead to credits issued in one commitment period being used in a subsequent commitment period. Similar time lags could potentially also occur between the first transfer and use of ITMOs under Article 6.2, as well as between the generation of mitigation outcomes under the Article 6.4 mechanism and any subsequent international transfer or use of these mitigation outcomes under Article 6.2. If this were to happen, it could impact the future level of ambition of domestic action. This potential time lag at different stages of the ITMO cycle is illustrated in scenarios 2 and 3 of Figure 5. Any use of ITMOs that changes *ex-post* the emissions balance of a previously-reported emissions balance would need to be reported on, as per paragraph 64(g) of the Annex to decision 18/CMA.1.

Draft A6.2 guidance does not explicitly provide for time limits for use or an "expiry date" for the use of ITMOs once they have been transferred. There is also no explicit indication in the draft A6.2 or A6.4 guidance of time limits between the authorisation of any A6.4 mitigation outcomes and any international transfer of associated ITMOs. However, such provisions could potentially be added. The implications for the draft A6.2 guidance are that:

- The possibility of a gap between ITMO first transfer and ITMO use, as shown in scenarios 2 and 3 of Figure 5, could usefully be acknowledged. For example, mentions of "first transfer and use" in draft A6.2 guidance could be changed to "first transfer or use".
- The implications for this time lag in terms of reporting and review could be clarified¹⁵ Depending on agreements regarding which vintage of GHG inventory is to be adjusted to calculate a Party's emissions balance, this would imply inserting text that requires Parties to recalculate and (re-)report a consistent time series of their emissions balance. For example, if an emissions balance for year X (when a given ITMO is used) is only available in year X+3¹⁶, then information for years X, X+1, X+2 and X+3 are all reported and reviewed in year X+3.
- Explicit time limits or expiry dates for ITMOs could be added to encourage Parties to increase the level of ambition of their NDC (as per Article 4.11) rather than "bank" ITMOs for subsequent NDC implementation periods. For example, an ITMO issued could be valid for the duration of a single NDC implementation period or up to e.g. 5 years from the time of first transfer.

¹³ For example, experience with the Kyoto Protocol's Clean Development Mechanism (CDM) has shown that there can be significant delays (e.g., well over a year for CERs issued in 2019) between when emission reductions from CDM project activities occur and when they are transferred. There can also be delays between CER transfer and CER use or cancellation, as the acquiring Party or company may wish to assess its emissions levels compared to its emissions targets before using CERs.

¹⁴ Under the Kyoto Protocol there was an explicit provision allowing Parties to request to carry over a small proportion of a Party's "assigned amount units" from the first to the second commitment period. However, there are no such units under the Paris Agreement, as Parties decide the form and level of their NDC.

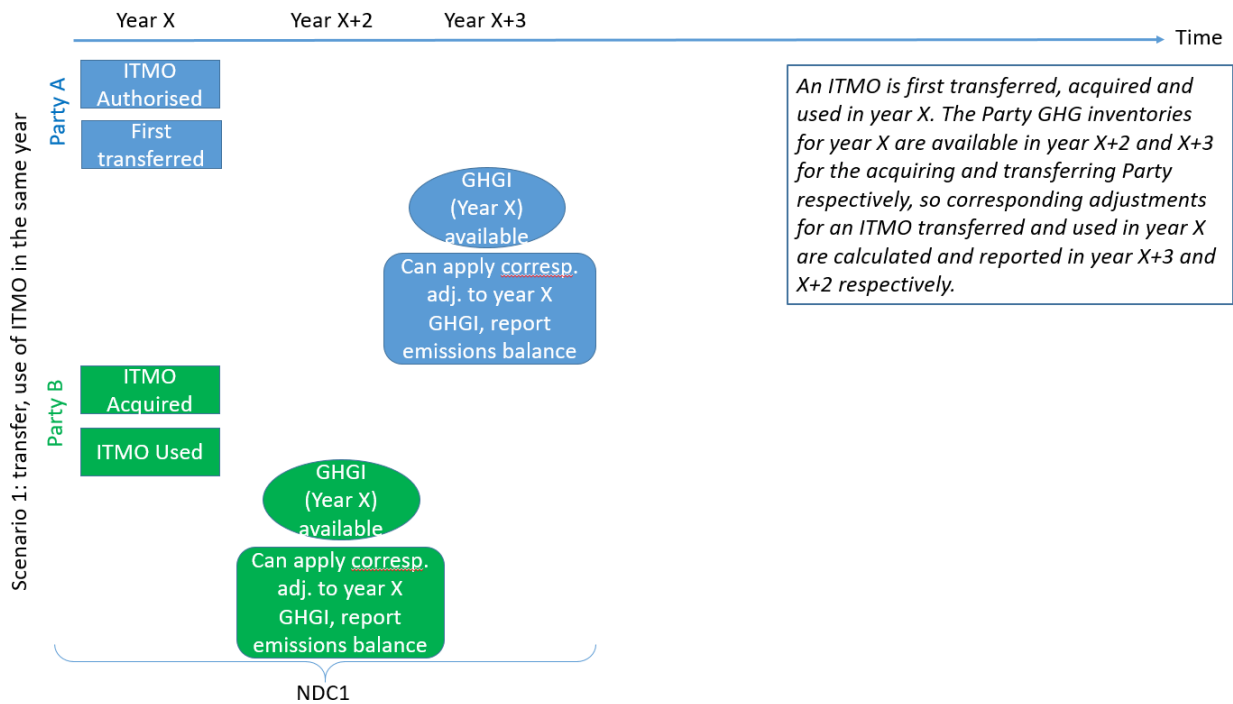
¹⁵ Alternatively, such clarifications could be made as part of any future work on A6.2 reporting under the SBSTA.

¹⁶ See section 3. , Relationship between initial report, BTRs, and National Inventory Reports (NIRs), page 26

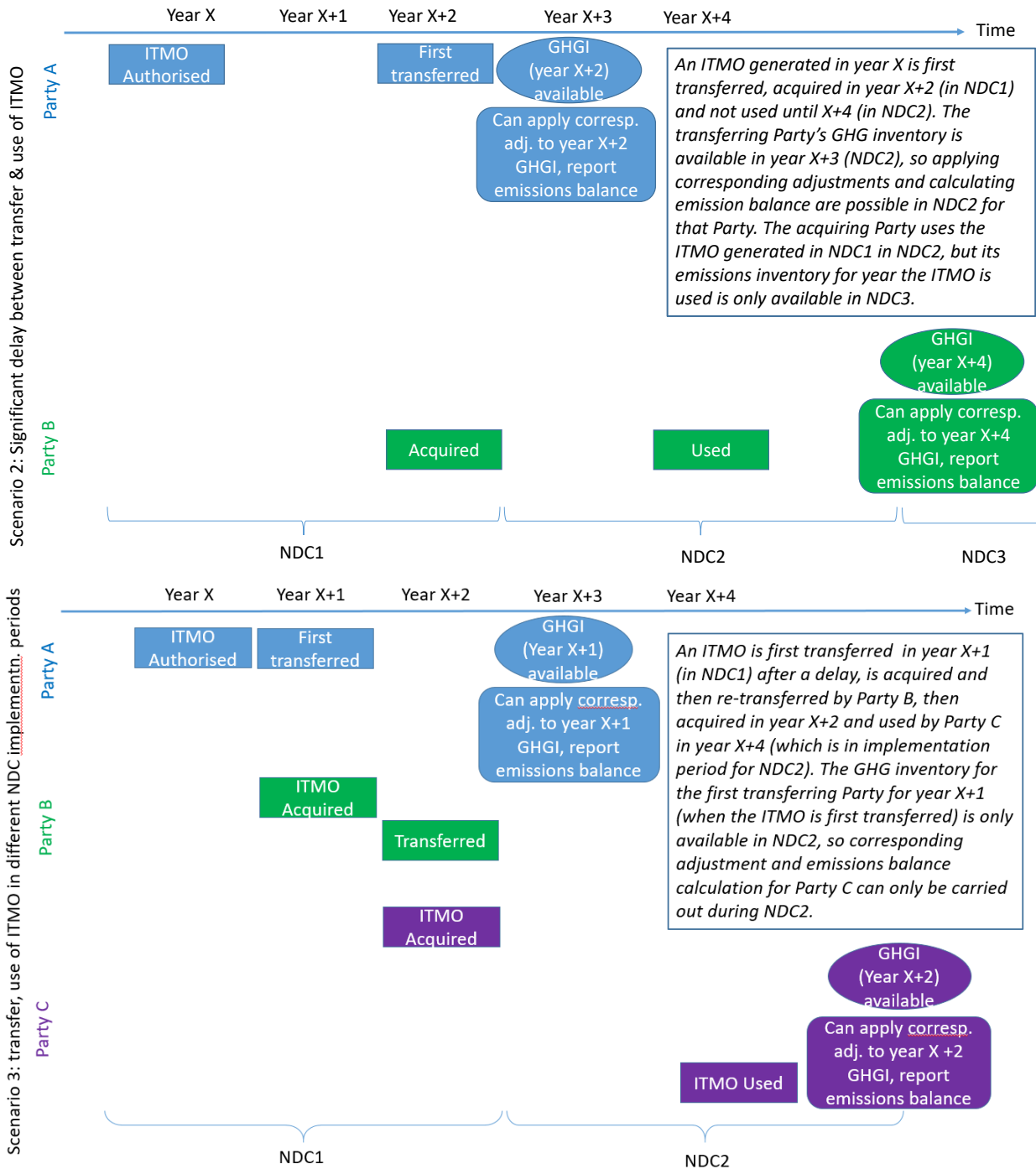
3.1.1. Vintages of ITMOs transferred and used

If ITMOs are to be valid for one or more NDC implementation periods, it is likely that in a single calendar year, there will be a variety of ITMO vintages that are transferred or used. Furthermore, if the agreed Article 6 framework does not explicitly indicate an “expiry date”, “time limit for use” or “validity period” for ITMOs, then an ITMO acquired by a Party in the implementation period of NDC1 could be used in subsequent NDC implementation periods. For example, the draft Article 6 texts from COP25 would allow for ITMOs with vintages of 2026, 2027 and 2028, and acquired in 2026, 2028 and 2029 respectively, to all be used in 2031. Thus, information on multiple vintages would need to be reported in Parties’ annual information reports to ensure that information is complete.¹⁷ In order to facilitate review of information on the vintage of ITMOs used, e.g. to ensure that such use conforms with any limits to be agreed, it would be helpful to have unique identifiers, as provided for in the draft A6.2 guidance for the tracking of ITMOs in national registries and in the Article 6 database (§29 and §32.a of draft A6.2 guidance). This would increase the transparency of information, for example, whether ITMOs generated in one NDC implementation period are used in another (if such inter-NDC use is allowed). Such a situation is illustrated in scenario 2 of Figure 5.

Figure 5: Potential time lags between the authorisation, first transfer, and use of ITMOs



¹⁷ Alternatively, if an ITMO’s unique identifier includes the vintage of its generation or transfer, further reporting of vintages would not be needed.



Source: Authors.

3.1.2. Reporting and timing of corresponding adjustments

Under draft A6.2 guidance, each Party participating in a cooperative approach “shall” apply “corresponding adjustments for the total amount of ITMOs first transferred and used for each year in the NDC implementation period” (§8 of draft A6.2 guidance). Corresponding adjustments “shall” be applied annually and can be applied using different methods, based on whether the participating Party has a single- or multi-year NDC target (§8 of draft A6.2 guidance). Parties' application of corresponding adjustments will result in an emission balance, which shall be reported by Parties for each year pursuant to paragraphs 9 and 23 (f) of draft A6.2 guidance (i.e. under the annual information report). The emissions balance, which “shall” cover sectors and GHGs covered by the Party's NDC, is in turn likely to be based on the Party's NIR reported under the MPGs.

The draft A6.2 guidance does not address the issue of time lags in GHG inventory calculation and the impact that this may have on Parties' ability to apply corresponding adjustments. In particular, it may not be possible for Parties to apply a corresponding adjustment for an ITMO transferred in year X and calculate the resulting emissions balance for year X until the year X+2 or X+3 because of time lags in developing a GHG inventory. In fact, depending on when the NIR is submitted by a Party, the latest year of data on GHG emissions and removals covered by the inventory of a Party engaging in a cooperative approach may differ between developed and developing countries and between different developing countries. These differences are due to two main reasons: (1) the more frequent inventory reporting for Annex I Parties required under the Convention will continue under the Paris Agreement¹⁸, (2) the flexibility provisions included in the MPGs, which may affect the timing and scope of reporting of national GHG inventories.

In terms of inventory reporting, while the MPGs require all Parties to submit a BTR (and therefore a NIR) every two years¹⁹, Annex I Parties under the Convention “shall” also submit inventories annually by 15 April of each year (UNFCCC, 2014_[32]). Therefore, while updated information on GHG inventories of Annex I Parties will be available every year, for all other Parties, it will be available every two years.²⁰

Regarding flexibility, according to paragraph 4.e of draft A6.2 guidance, national inventory reports prepared in accordance with the MPGs contemplate the use of flexibility by those developing country Parties that need it in the light of their capacities. For all Parties, the latest available inventory year in Parties' NIRs will present, at a minimum, a time lag of two years with the year in which the NIR is reported.²¹ (UNFCCC, 2019_[8]). Developing country Parties that need flexibility in the light of their capacities have the flexibility to instead have their latest reporting year as three years before submitting their NIR. This means that were a Party to submit an initial report in March 2025, its latest reported year in the GHG inventory could be:

¹⁸ For the principle of “no-backsliding” whereby, according to paragraph 3.4 of the MPGs, it is necessary to ensure that “Parties maintain at least the current frequency and quality of reporting,” Annex I Parties will be required to continue producing inventories on an annual basis (UNFCCC, 2019_[8]).

¹⁹ With the exception of LDCs and SIDS, who may submit BTRs at their discretion. For the sake of simplicity, and because draft A6.2 guidance requests the SBSTA to further elaborate, at CMA3, to further elaborate “the special circumstances of the least developed countries and small island developing States” (§2.a of Draft A6.2 guidance), this issue is not taken into consideration for this analysis.

²⁰ However, the latest available year covered by the inventory may differ across countries, particularly if flexibility provisions are applied by those developing countries that need it in the light of their capacities. See section 3.

²¹ For each Party, the latest reporting year “shall be no more than two years before the submission of its national inventory report” (§58 of the annex to decision 18/CMA.1) (UNFCCC, 2019_[8]).

- 2022, if the Party has submitted a NIR in 2024 (e.g., in conjunction with the BTR);
- 2021, if the Party has submitted a NIR in 2024 and is a developing country that needs flexibility and that has decided to apply the relevant flexibility provision of the MPGs;
- 2023, if the Party is an Annex I Party that has reporting obligations under the Convention and that has submitted a NIR in March 2025, ahead of the 15 April deadline.

This, in turn, would imply that either:

- A corresponding adjustment for year X is applied to the GHG inventory of a previous year (e.g., X-2). While possible, this could potentially lead to emission balances that are not representative, e.g. if the levels of ITMO transfer vary widely between different years, and would also reduce clarity and transparency.

OR

- The level of corresponding adjustments needed for e.g., year X are recorded and stored somewhere (such as a domestic or international holding account of the Article 6 database) in order to be applied once the NIR for year X is available.

It would be helpful for draft A6.2 guidance, or for any future work on this matter undertaken by the SBSTA, to provide more guidance to Parties in terms of which vintage of emissions balance a corresponding adjustment is to be applied and reported. For example, draft A6.2 guidance could provide that Parties are required to apply corresponding adjustments for ITMO transfers made in year X only in year X+2 or X+3, i.e. when information on GHG inventories becomes available. In other words, apply corresponding adjustments for year X when the inventory for year X is available (which could be X+1, 2 or 3, as highlighted above). Otherwise, draft A6.2 guidance could indicate that the emission balance reported by countries would need to cover year X-2, with the flexibility for developing countries that need flexibility in light of their capacities to report an emission balance for year X-3, in accordance with the time series reported in their NIR.

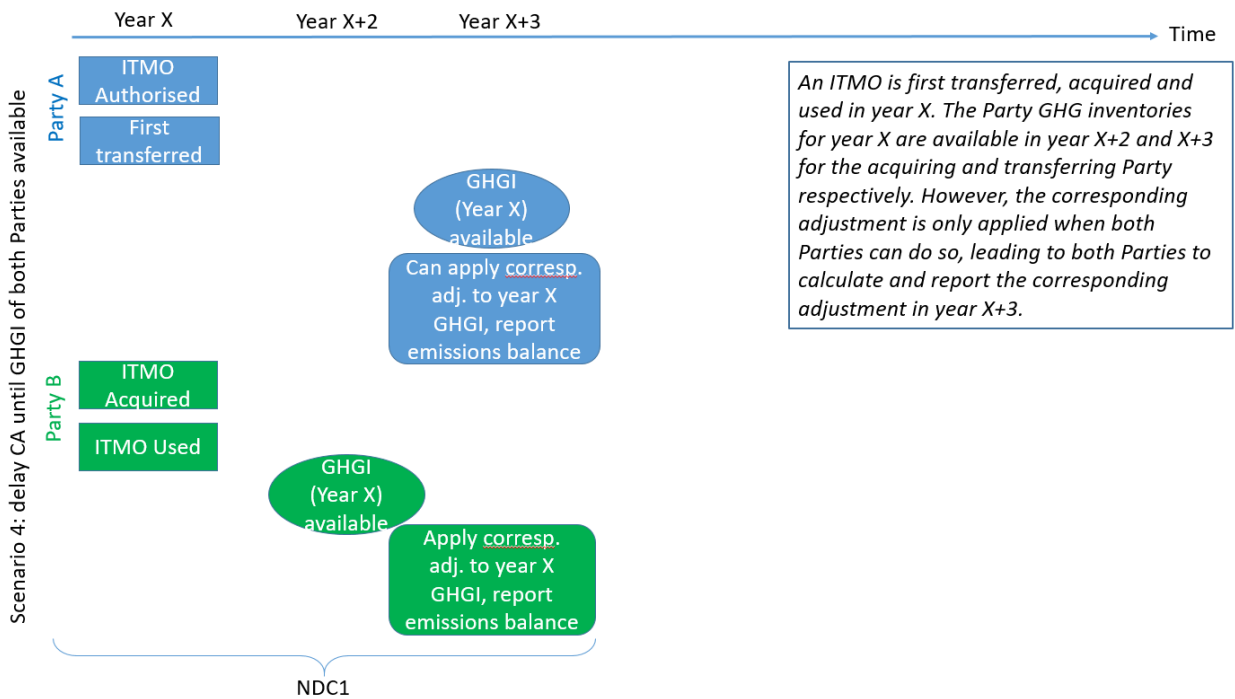
Furthermore, it would be helpful for draft A6.2 guidance to clarify if “applying” a corresponding adjustment means both performing and reporting this corresponding adjustment, or whether there can be a delay between performing a corresponding adjustment and reporting this corresponding adjustment. This is an important issue, as it has implications for consistency and comparability of Party reports, as well as implications for environmental ambition, as outlined below. Options²² for the timing of any corresponding adjustment would include:

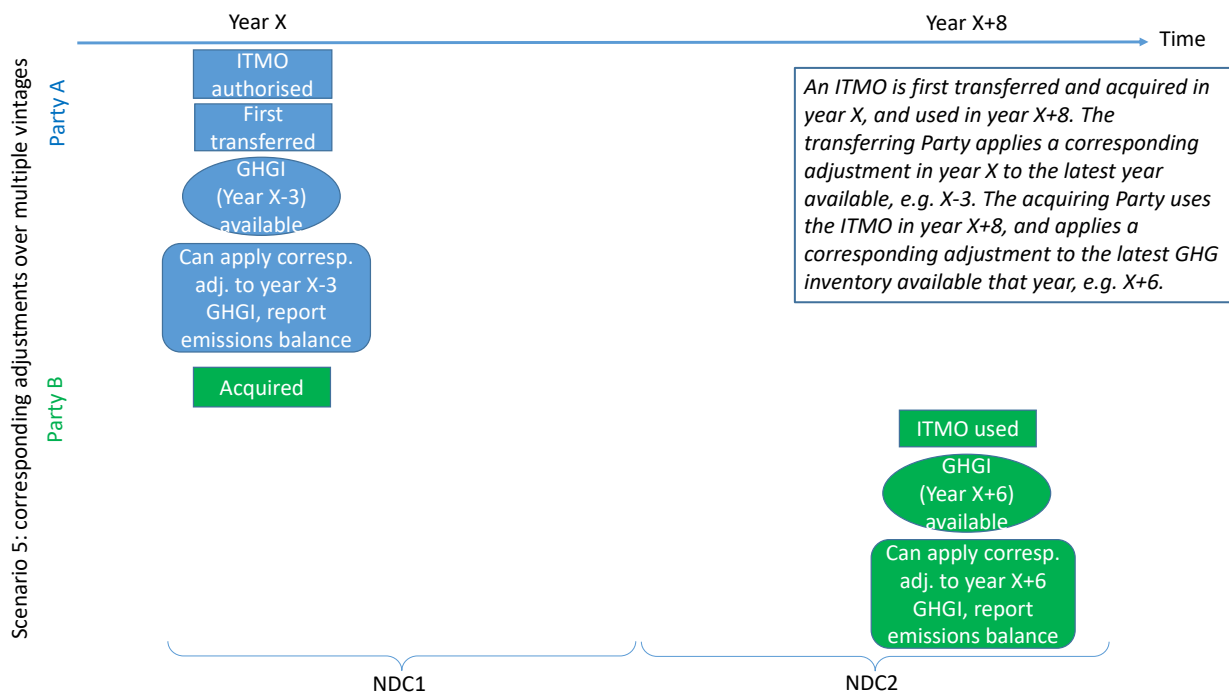
- The transferring Party to apply the corresponding adjustment in the same calendar year that the ITMO is first transferred (see scenario 5, Figure 6). However, this may lead to a misleading picture of a country’s progress towards or achievement of its NDC, as it would involve using a GHG inventory and ITMO transfers from different years (which may or may not be in a different NDC implementation period).
- Wait until the GHG inventory for the year in which the ITMO was transferred is available, and then apply the corresponding adjustment within a specified time delay from this date. Until this time, record the level of ITMOs first transferred into a registry (e.g., domestic “holding” account of its national registry, or a holding account of the Article 6 database). This option would have the advantage of matching the ITMO transfer year with the inventory year.

²² These options are not all mutually exclusive.

- Allow the transferring Party and acquiring Party to apply the corresponding adjustment in different years (e.g. reflecting the year of ITMO transfer, the year of ITMO use), as reflected in scenarios 1, 2 and 3 of Figure 5).
- Record the level of ITMOs first transferred into a registry (e.g., “holding” registry, or the Article 6 database) the year that they are transferred, and only apply the corresponding adjustment when the ITMOs are used (or cancelled). This option would have the advantage of being clearer on whether a NDC has been achieved, and may lead to a more consistent demand for ITMOs over time – but would lead to a mismatch in when the transferring and acquiring Parties apply a corresponding adjustment, and would also essentially allow for a carry-over of ITMOs into successive implementation periods. Such “banking” of ITMOs can impact overall ambition, e.g. by reducing or delaying the need for the acquiring Party to implement domestic mitigation actions.

Figure 6: Possible timings of applying corresponding adjustments





Source: Authors.

Any delay in ITMO use from the acquiring Party (e.g., as shown by scenarios 4 and 5 in Figure 5) could lead to a disconnect between the transferring and acquiring Parties in applying a corresponding adjustment. In particular, if the acquiring Party is to apply the corresponding adjustment when it uses the ITMO, this could be after a time lag of several years after acquiring it (and could potentially be in a subsequent NDC implementation period, unless provisions are added to the A6.2 text to disallow this). This time lag could also potentially lead to a disconnect in the timing of reporting corresponding adjustments between the transferring Party and the acquiring Party. Such a disconnect could potentially complicate any supra-national cross-check of ITMO transfers if the transferring Party applies corresponding adjustments when the ITMO is transferred. Thus, it would be helpful if draft A6.2 guidance could:

- Clarify whether any delay between applying a CA and reporting a CA is allowed and, if so, the length of such a delay. (This will, in turn, depend on the frequency and level of automation of reporting on CA, with increased automation allowing for shorter or no delays between performing and reporting a CA).
- Clarify (for transferring Parties) whether CAs are to be applied for the same year as ITMO generation, ITMO authorisation, or ITMO first transfer. (There can be delays – potentially across different years or even across different NDC implementation periods – between these steps).

This potential time lag between ITMO generation, acquisition, use and/or between applying and reporting a CA will impact the vintage of information that the review team will need to review to adequately consider the implementation and achievement of the NDC of the Party under review. There are no explicit indications in the MPGs or draft A6.2 guidance of what vintage information is to be reviewed. However, this could potentially be covered by paragraph 150.b of the MPGs, which refers to information necessary to track progress. To note, this would be possible only if disaggregated information on ITMO vintage is reported

(as provided for in paragraph 23(e) of version 3 of the draft 6.2 text from COP25). Draft A6.2 guidance indicates that this disaggregated information “shall” be included in a Party’s annual information report in each BTR. However, including such disaggregated information in a BTR could be unwieldy if a Party participates in several cooperative approaches. If the BTR being reviewed does not contain disaggregated information on ITMO vintage, it is unclear whether and how to consider such disaggregated information in a review process – even if such disaggregated information is included in an Article 6 database or the CARP. Thus, provisions in the review framework would need to clarify if supporting information (such as information on the level and timing of specific ITMO transfers and use) that underlies aggregates reported in a BTR can also be reviewed.

Another issue that A6.2 guidance could usefully clarify is on the time series that needs to be reported for Parties’ emission balances. Draft A6.2 guidance indicates that an emissions balance “shall” be reported “for each year” (§23.f of draft A6.2 guidance). However, this draft guidance does not make explicit that this balance is for every single year (e.g. calendar year, fiscal year) from a given date, rather than each year with a NDC target.²³ As some NDCs include targets for single years, and some for multiple years, it would be helpful if this was clarified in subsequent versions of the guidance.

3.1.3. Using a holding account for “pending” ITMOs

According to the draft 6.2 texts from COP25, Parties are to include information i.a. on ITMO holdings in their annual information. This text also highlights that information on ITMOs held is to be included in the Article 6 database, to be implemented by the UNFCCC secretariat, and that participating Parties shall track i.a. transfer, acquisition, cancellation and use of ITMOs.

In addition to this, it may also be useful for Parties to establish a holding account to track (i.e. enter and store) information on ITMOs used but where corresponding adjustments have not yet been applied. Indeed, because of the time lag associated with calculating a Party’s GHG emissions inventory, it is possible that some ITMOs are used for a year or more before corresponding adjustments can be applied (see e.g. scenario 3 of Figure 5 and scenario 4 of Figure 6). In order to facilitate tracking of progress, it may be helpful for Parties to keep a separate record of ITMOs used but where corresponding adjustments have not yet been applied (as information to do so is not yet available), and on ITMOs not yet used.

3.2. Issues related to addressing and reporting any reversals of emission removals

In order to ensure TACCC in tracking progress to NDCs within and between NDC implementation periods, provisions on how to address any reversals of emissions removals will be needed. The implication of draft A6.2 texts is that ITMOs are associated with specific sectors and GHGs, and indeed from specific activities (for any ITMOs that are generated from an Article 6.4 activity). Further, draft A6.2 guidance indicates that ITMO transfers can occur from “emission reductions and removals from sectors and GHGs...”. Indeed, version 3 of the draft A6.2 text from COP25 (UNFCCC, 2019^[9]) indicates that annual information reports would specify the “sector and activity type, as applicable”.²⁴

²³ The implication that the mention of “each year” in paragraph 9 of V3 of the draft A6.2 guidance is for each calendar year is strengthened by text in paragraph 23(f) that refers to an “annual emissions balance”. However, it could be useful to clarify this in paragraph 9 of the same guidance.

²⁴ For increased transparency, information on the greenhouse gas mitigated would also need to be included.

Any reversals of emissions removals – including those where the mitigation outcomes were transferred internationally - could occur intentionally (e.g. harvesting trees and using them as a source of biomass energy) or unintentionally (e.g. as a result of accidental forest fires). Reversals can occur in the short, medium or long-term. Furthermore, emission reversals can be smaller, the same size or even greater²⁵ than the initial amount of emissions removals. Quantifying any reversals is therefore not necessarily straightforward.

The SBSTA Chair’s summary from the June 2021 discussions on Article 6.2 indicated that adding further limits and safeguards to address reversals and leakage could be an option to be considered (UNFCCC SBSTA, 2021^[23]). There is some experience in the UNFCCC context with addressing the risk of emissions reversals – at least in the context of activity-based credits. Under the Kyoto Protocol, only limited types of emission removal activities i.e. afforestation and reforestation (A/R)) were eligible to generate internationally traded credits under the CDM. In addition to limiting the eligibility of activities that could lead to non-permanent emission removals, two further safeguards were introduced. Firstly, the credits from these CDM activities automatically expired after a certain period of time and would need to be replaced by the buyer. Secondly, if removals from a particular CDM project activity were reversed, credits would need to be replaced by the buyer, and the transfers (by the seller) of credits from that activity would be temporarily suspended by the CDM EB. Information on any replaced long-term certified emission reductions (ICERs) would need to be reported in Parties’ annual reports. Parties need a separate registry account to replace ICERs.

Identifying appropriate safeguards and limits, and how to address potential reversals under Article 6.2, could have implications for both reporting and review under Articles 6 and 13 of the Paris Agreement. For example, if ITMOs associated with emission removals from activities such as re/afforestation where there is a risk that such removals may be non-permanent were “temporary” ITMOs (similar to the ICERs or temporary CERs (tCERs) agreed for A/R CDM project activities under the Kyoto Protocol), then these may need to be reported separately from other ITMOs – as was the case for temporary credits under the CDM.²⁶ If ITMOs associated with emissions removals are not valid for only a limited time period, then their current status (e.g. reversal/non-reversal) may need to be reported on over a considerable period of time.²⁷ Indeed, version 3 of the draft COP25 text on Article 6.2 highlights that Parties “shall” include in their regular information (reported in their BTR and reviewed under A13) information on “when reversals of emissions removals occur, ensuring that these are addressed in full”. However, there is no further information in the Madrid texts on what exactly would need to be reported, when, or what “address[ing] in full” means, and how this will be achieved, reported on and reviewed.

Information needed to track and address the potential reversal of emission removals could be included in Parties’ initial reports, annual information and regular information. For example:

- A Party’s initial report could include information on whether the cooperative approach that a Party is engaging in is one that will lead to emissions removals, and if so, what type (e.g., re/afforestation, direct air carbon capture and storage). Requiring this information would entail amending the draft text in the Article 6.2 decision on information to be included in a country’s initial report.

²⁵ For example, if afforestation led to CO₂ removal, but this was reversed by an event (e.g. cyclone), it could lead to the carbon that had been sequestered as CO₂ being released as CH₄ (which has a higher global warming potential than CO₂).

²⁶ The issue of temporary credits is not, however, mentioned in current draft 6.2 texts.

²⁷ Such reports would be needed even if there are unique identifiers for ITMOs that clearly show whether an ITMO is associated with a sector/activity where any emission removals are at risk of being reversed.

- Text relating to a Party's annual report could also usefully be amended, in particular to request quantitative information on ITMOs authorised and first transferred that relate specifically to emissions removals. This could entail requiring Parties to distinguish between the quantity of ITMOs transferred from emission removal activities and from emission reduction activities.
- Text relating to Parties' regular information reports could also usefully be amended, for example, to require:
 - Qualitative information in a Party's BTR on how the risk of non-permanence is being minimised (e.g. as laid out in paragraph 22(b) of V3 draft 6.2 text from COP25).
 - Nominal information regarding whether any emissions removals have been reversed during the period reported (Yes/No);
 - Quantitative information on the level and timing of any reversals;
- When this addressing of reversals will be done, and for which year it will be accounted for (noting that there could be decades between emissions removals and subsequent reversals, i.e. far beyond any crediting lifetime of an activity).

In addition, draft A6.2 text on the application of corresponding adjustments could usefully be amended to clarify whether it would be the responsibility of the transferring or acquiring Party to address any reversals (or whether this could vary on a case by case basis, e.g. as agreed up front by participating Parties). Subsequent work under SBSTA could elaborate any specific monitoring and reporting provisions for activities that may result in emissions reversals, as well as provisions for how the Parties involved in such activities could address any such reversals.

4. Article 13 and Article 6 review processes

Information to be reported under Article 13 and Article 6 is subject to technical expert review (TER) in accordance with section VII of the MPGs for the ETF and section V of the draft A6.2 guidance. Both TER processes under Article 13 and Article 6 need to deliver on their mandates efficiently and effectively. This includes ensuring that they complement each other and do not send contradictory signals and recommendations to Parties or other relevant stakeholders. Consistency, transparency and efficiency of TERs is important because:

- The ETF under Article 13 has a central role in building mutual trust and confidence and promoting effective implementation of the Paris Agreement;
- The decentralised approach under Article 6.2 recognises the reality of a multiplicity of national markets. While this offers flexibility and allows Parties to choose a preferred approach when using Article 6 co-operative approaches, this poses challenges to the Article 6 TER process (Article 6 review) in ensuring that when Parties engage in such approaches, they adhere to the requirements of promoting sustainable development, and ensuring environmental integrity and transparency, including in governance, and apply robust accounting;

To that end, exploring Article 6 and Article 13 review processes jointly, prior to CMA3, is essential to inform further discussion on the draft A6.2 guidance before its adoption. Exploring these processes jointly would also help to ensure that any modalities, procedures, and guidelines agreed for the reviews minimises the burden on Parties and the UNFCCC secretariat and provides for coordination of the Article 6 TER and the TER under Article 13 (Article 13 review).

This section examines similarities, synergies, and differences between the two review processes with a view to avoiding overlaps of review activities and any potential inconsistencies and conflicts in the review process and their outcomes. This section starts with a brief overview of three relevant experiences with reviews under the Convention and the Kyoto Protocol conducted in conjunction or in sequence to set the context for understanding Article 13 and Article 6 reviews. It also highlights other issues relating to the scope of the Article 6 review that are not yet addressed in the existing MPGs or yet included in the proposed A6.2 guidance.

4.1. UNFCCC experiences with reviews of information reported by Parties

When deciding how to organise Article 13 and Article 6 reviews most effectively and efficiently, it may be helpful to examine current review practices and experiences under the UNFCCC. To that end, this paper outlines three relevant review experiences:

- The technical assessment of REDD+ results that are organised in conjunction with the technical analysis of BUR for those countries that submit such results as an annex to their BURs;
- The technical assessment of the Standard Electronic Format (SEF) containing assigned amount information conducted as part of the annual technical review under Article 8 of the Kyoto Protocol that also includes a review of the GHG inventory, submitted in a National Inventory Report (NIR) and the Common Reporting Format (CRF), and;
- Annual review of GHG inventory submissions and biennial review of the biennial reports (BRs) submitted by Annex I Parties under the Convention.

Each of these review experiences suggests that different approaches might be adopted for the review of related information reported by countries in more than one report or submission. Differences in approaches may relate to: (i) timeline of review (i.e. whether reviews are carried out in parallel or sequentially); (ii) team in charge of carrying out the review and (iii) output of the review. These differences in approach are summarised in Figure 7. For further detail on each one of the three cases, please see 5. Annex B.

In the first case, when the annex of the BUR with REDD+ results is submitted by a Party on a voluntary basis, the technical assessment of REDD+ results and the technical analysis of BUR are normally carried out in conjunction. For this purpose, an enlarged team of technical experts is established, whereby two additional LULUCF experts are included in the **Technical Team of Experts (TTE)** and are tasked specifically with the assessment of the annex of the BUR with REDD+ results. Yet, there are some joint activities, for example, all members of the TTE participate jointly in calls with the submitting Party and engage in joint discussions. Both the LULUCF experts and the rest of the TTE follow broadly the same timeline. The results of this process are published in two separate reports under the respective responsibility of the TTE and the two additional LULUCF experts, and no links exist between the two reports in terms of substantive information presented. In many cases, the report with REDD+ technical analysis is completed well in advance of the BUR technical analysis report as it serves as an input to result-based payment for REDD+.

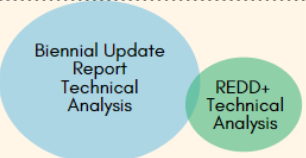
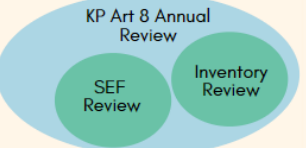
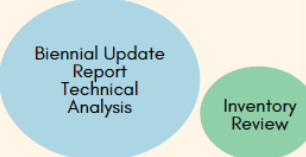
On the other hand, the annual review under Article 8 of the Kyoto Protocol of a Party's GHG inventory and its holdings and transactions of Kyoto units reported in a SEF are carried out sequentially by different experts, as two steps of the annual review process. At the first step, a **Standard Independent Assessment Report (SIAR)** is prepared based on the information reported by each Party on holdings and transactions of Kyoto units that are reported in the SEF. The SIAR contains a technical assessment of a Party's reported information in the SEF, which looks at completeness and consistency of the information reported by a Party with the information maintained by the **International Transaction Log (ITL)**. At the second step, the main focus of which is the review of the GHG inventory, the ERT takes note of the SIAR and checks whether any issues with completeness and consistency were raised. Both review processes are initiated with the annual submission of the respective reports and conclude within one year. Usually, the SIAR is prepared well in advance of the ERT's GHG inventory review week, and if there are any issues identified with the SEF, these are solved through consultation with the Party under assessment. The review of the annual submission comprising the GHG inventory and the SEF is conducted in sequence by the same ERT with the same mandate using the SIAR as technical input. The final results are reflected in a single report that is then forwarded to the Compliance Committee.

Finally, the technical review of the information reported under the Convention related to GHG inventories and BRs by Annex I Parties consists of two separate and distinct review processes. The frequency of these two reviews is different and triggered by the frequency of relevant submissions, namely annual and biennial. These two reviews also follow slightly different and partly overlapping timelines, and result in two separate reports. The review guidelines included in decision 13/CP.20 take into account the existing

overlap of information included in the NIR and BR, and address this overlap by mandating the BR expert review team (ERT) to examine the consistency of the BR with the annual GHG inventory but to not conduct an in-depth examination of the inventory itself. This is because such an in-depth examination is mandated to the ERT for the annual GHG inventory submission. Furthermore, the guidelines mandate the ERT for BR to undertake a detailed technical examination of only those parts of the BR that are not included in the annual GHG inventory review.

Overall, these three review experiences suggest that when review processes are organised jointly or in conjunction, the supporting methodologies, procedures, and guidelines that the relevant COP or the CMP adopted were sufficient to operationalise such review processes in a way that delivers their respective mandates, avoids overlaps and ensures efficiency and effectiveness. In all three cases, there was sufficient clarity in the legal basis for reporting as one of the key objectives of these reviews has been ensuring consistency with the reporting guidelines. For further detail on each one of the three cases, please see 5. Annex B.

Figure 7. Selected review processes under the UNFCCC and the Kyoto Protocol

Review type	Review team	Output	Comments
	Review team incl. LULUCF experts reviews the BUR Annex with the REDD+ info	<ul style="list-style-type: none"> Partly overlapping reviews Separate reports 	The two reviews are largely independent
	Two separate review teams	<ul style="list-style-type: none"> Two reviews in sequence Two separate reports, the first report serving as a technical input to the second 	One review that comprises two stages
	Two separate review teams	<ul style="list-style-type: none"> Two separate reviews Two separate reports 	One in depth review of GHG inventory information; the reported information is only subject to review of the consistency of information in the two reports

Source: Authors.

4.2. Key issues on the content of Article 13 and Article 6 reviews

This section covers the objectives, roles, and responsibilities of Article 13 and Article 6 reviews and points of connection between the two. It examines similarities, synergies, and differences to address overlaps and any potential inconsistencies and conflicts of the assessment.

4.2.1. Scope, coverage, and output from Article 13 and Article 6 reviews

The MPGs agreed for Article 13 and the draft A6.2 guidance outline the review processes with a very different degree of detail. The MPGs contain elaborated guidance on review²⁸, whereas the section on review in the draft A6.2 guidance comprises four paragraphs only. The provisions on the Article 6 database that are contained in the draft Article 6.2 guidance are also relevant to Article 6 review, as the draft guidance refers to the consistency checks to be conducted by the secretariat and how the Article 6 ERT are to respond. While some elaboration of the draft A6.2 guidance is still possible before the CMA in Glasgow, many issues regarding operationalisation of Article 6 review need to be resolved through the MPGs on Article 6 review to be adopted by the CMA in the future.²⁹

The different degree of detail of the MPGs and draft A6.2 guidance information pose a challenge when conducting any comparative assessment of envisaged review processes under Article 13 and Article 6. However, it also provides an opportunity to outline where the two review processes could complement each other when properly co-ordinated. This could help to identify issues that need yet to be addressed when completing negotiations on the A6.2 guidance, or in any follow-up work by the SBSTA.

Despite the different level of details in the MPGs and draft A6.2 guidance, the analysis in this paper suggests that the review provisions in both are broadly consistent (see 5. Annex A). For example, both identify a clear role for the UNFCCC secretariat in undertaking initial assessment and checks. At the same time, the MPGs contain further and more detailed information on the aspects of the review process, including e.g. the TER format³⁰; an overview of the review procedure with a timeline for each stage of the review process; confidentiality, a description of the roles of Party, the TER team and the secretariat in the review. Similar aspects are expected to be elaborated in the Article 6 RMP to be adopted by the CMA. Another essential aspect is consistency in the timeline of the two review processes.

It will be important when developing Article 6 MPGs to capitalise on Article 13 MPGs to ensure consistency between the timing of the two review processes. This is essential for the overall integrity, efficiency, and effectiveness of the review processes under the Paris Agreement. One example of how this could be facilitated is via the role of the UNFCCC secretariat in supporting the reviews. There are only two out of 11 instances from the MPGs (§155 and §163 of the MPGs) that define the role of the secretariat in a way that is comparable with the role of the secretariat in conducting a consistency check in accordance with draft A6.2 guidance (§33 of draft A6.2 guidance). This role is seen as technical and in support of the review by the TER as the result of the secretariat's work needs to be forwarded for further consideration by the respective Article 13 or Article 6 TER teams. This is except for the simplified review of GHG inventory, which is the secretariat's responsibility only and not the Article 13 TER team. The MPGs further define the secretariat's role in organising the reviews, facilitating the lead reviewers' communication between the Party and the ERT, and compiling and editing the final TER reports (§162-171 of the MPGs). It would be helpful if Article 6 MPGs that are yet to be developed elaborate the secretariat's role in similar terms to ensure consistency of reviews and avoid ambiguity.

²⁸ This MPGs include detailed substance, process and institutional elements and guidance on how to organise and conduct the review process. The outstanding issues regarding Article 13 reviews that are currently under negotiations under the SBSTA comprise of preparation of three tabular formats for reporting, the training programme for review experts and the outline of the BTRs. These issues are broadly of technical nature and are not expected to have a major impact on the organisation of the review process under the ETF.

²⁹ See paragraph 4 of the draft CMP decision that was prepared in Madrid to adopt the A6.2 guidance.

³⁰ Namely: centralised, in-country, desk or simplified review and when they are applicable.

4.2.2. The interplay between Article 6 and Article 13 review

When addressing the interplay between Article 6 and Article 13 reviews, it is essential to consider the sequencing of the two reviews and the substantive points of connection between them. The relative sequencing is important because it defines how the outcome from one review will underpin the other. The draft A6.2 guidance suggests that the ERTs under Article 13 and Article 6 would produce two separate review reports, even though regular reporting under Article 6 is expected to comprise part of the BTR under Article 13 (see chapter 3).³¹ The draft A6.2 guidance also indicates that the Article 6 review report would be drafted first, as the Article 6 TER team is to forward its reports for consideration by the review under Article 13. There will also be a personnel link as the MPGs indicate that an expert on cooperative approaches and ITMOs under Article 6 is to be part of the ERT.

An Article 13 review of reporting requirements under paragraph 77.d of the MPGs could comprise of consistency checks of the reported information, accuracy checks of the calculations and final conclusion at a technical level on progress made in implementing and achieving the NDC. A suggestion of how review of paragraph 77.d of the MPGs could be conducted for each sub-paragraph is presented in Table 1.

Table 1. Review of paragraph 77.d of the Article 13 MPGs

Paragraph	Nature of the review	Responsible TER
77.d(i)	Review could be limited to a simple consistency check of reported information on GHG emissions by source and removals by sink with the same information reported as part of the annual GHG inventory contained in a NIR ³² .	GHG inventory expert and/or Article 6 expert of Article 13 ERT.
77.d(ii)	The review of the emission balance could entail an accuracy check for the corresponding adjustments calculated by the reporting Party that could be performed by either Article 6 or GHG inventory experts of the ERT under Article 13. This review comprises of review of two sets of information. The first set relates to adjustments and ITMO (subject to Article 6 review per draft A6.2 guidance). The second set relates to GHG emissions and removals (subject to Article 13 review).	GHG inventory expert and/or Article 6 expert of Article 13 ERT, which a preference for the latter due to the novel nature of NDC adjustments and that the review of underlying data is part of Article 6 review.
77.d(iii)	Review could take place under Article 13 to check for consistency with related information reported under Article 6. It can be expected that data that underpin reporting under this paragraph will be reported with greater level of detail as part of Article 6 reporting. Hence, it will be within the scope of the Article 6 review.	GHG inventory expert and/or Article 6 expert of Article 13 ERT.
77.d(iv)	Review could take place under Article 13 for consistency with related information reported under Article 6 at a greater level of detail. This information could be reviewed by either the Article 6 expert, or by GHG inventory expert that form part of the ERT under Article 13.	GHG inventory expert and/or Article 6 expert of Article 13 ERT.

Source: Authors.

The analysis conducted here suggests that virtually all underlying information that is reported under paragraph 77.d of the MPGs will be reviewed in-depth either as part of the same Article 13 review, namely review of the GHG inventory, or as part of Article 6 review, namely review of the corresponding adjustments and relevant ITMOs. Article 13 review of paragraph 77.d would have to establish whether a Party has reported required information in accordance with the TACCC principles, whether information of relevant parameters under paragraph 77.d is consistent with that reported in GHG inventory reflected in the NIR and Article 6 reports, and whether information reported under paragraph 77.d on the accounting balance

³¹Such a situation of having two parts of a report by a Party that will be part of different review-type processes that and result in separate reports is not new to the UNFCCC, see for example the case of REDD+ results that are submitted as part of the BURs of developing countries that implement REDD+ activities.

³²Noting that NIR submitted under section II of Article 13 MPGs- is expected to be reviewed in-depth by GHG inventory experts that form part of Article 13 ERT.

is accurately calculated. This review is essential as it will underline any conclusion by the Article 13 review team regarding tracking progress and achieving NDCs and any findings reflected in the review report will be presented under the collective responsibility of the entire team.

Technical analysis regarding the progress towards and achievement of the NDC, could be done collectively by the ERT, with input by either the Article 6 expert, or GHG inventory expert that are part of the Article 13 ERT. For practical reasons, it might be better to entrust one expert with the review of the entire report under paragraph 77.d. The expert could conduct the review of paragraph 77.d in close co-operation with the other members of Article 13 and Article 6 review teams, and any findings reflected in the review report presented under the collective responsibility of the Article 13 team.

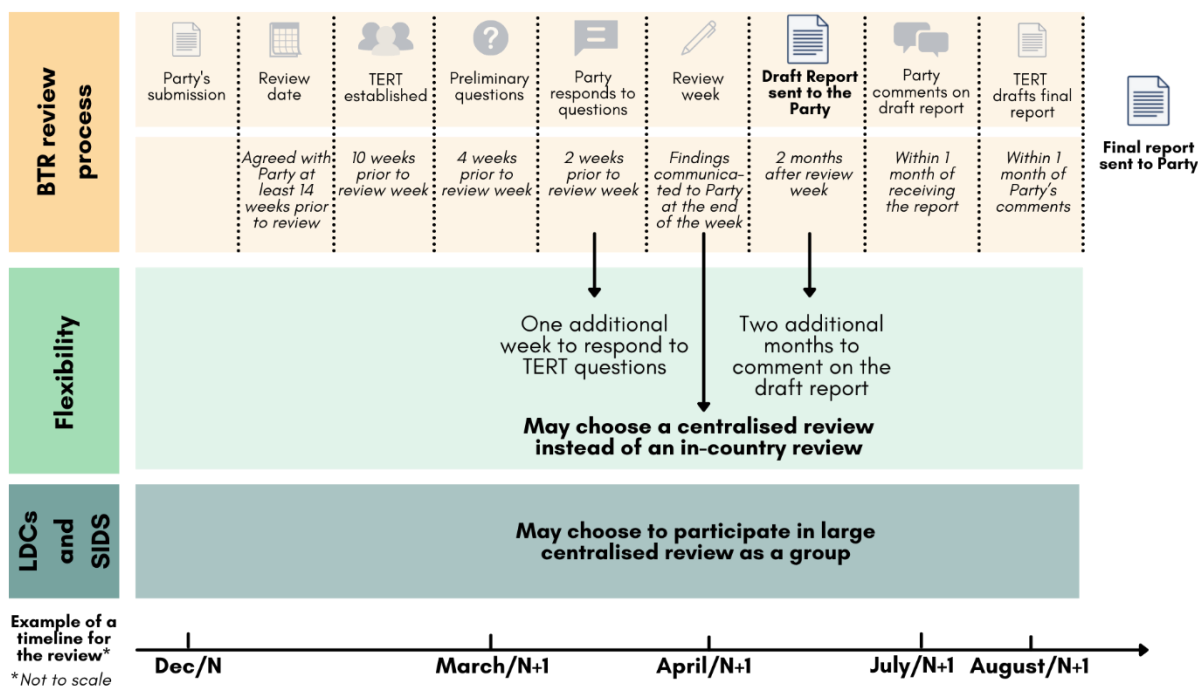
The analysis provided here on points of connection between the Article 13 and Article 6 reviews is based on the more frequent case of when a Party that participates in Article 6 submits regular reports thereunder as part of the BTRs under Article 13 (paragraph 21 of A6.2 draft), and, therefore, submits paragraph 77.d information as part of its BTR. If a Party does not engage in Article 6, no such information will be reported and reviewed. If a Party submits its initial report following draft A6.2 guidance as a stand-alone report or in conjunction with the BTR, the information reported therein will be subject to Article 6 review. It is unclear whether the resulting review report needs to be forwarded to the Article 13 review team, in particular, when the initial report is submitted in conjunction with the BTR and this issue might be clarified in Article 6 MPGs.

4.3. Outstanding issues related to the timing of Article 13 and Article 6 reviews

This section provides an overview of the timeline of Article 13 and Article 6 review processes. It then outlines two scenarios for organising and sequencing these review processes to deliver in accordance with their respective mandates. Each scenario is examined from an efficiency and effectiveness perspective, and potential implications.

While the timeline of the Article 13 process is well defined in the MPGs (see Figure 8), that for the Article 6 review in the draft A6.2 guidance is not. Yet, similar to the Article 13 review, the Article 6 review could be initiated immediately following submission of reported information under Article 6 (initial report, annual report or regular reports under Article 6 that are submitted as part of BTR, §18, 21, 22 and 23 of draft A6.2 guidance). Then, Article 6 guidance establishes that Article 6 TER report once completed “shall” be forwarded for consideration by Article 13 ERT in accordance with the draft Article 6.2 guidance. This provides a natural deadline for completing Article 6 review reports no later than 12 months from the start of the review process, similarly to the overall duration of the Article 13 review process.

Figure 8. Timeline of Article 13 review process



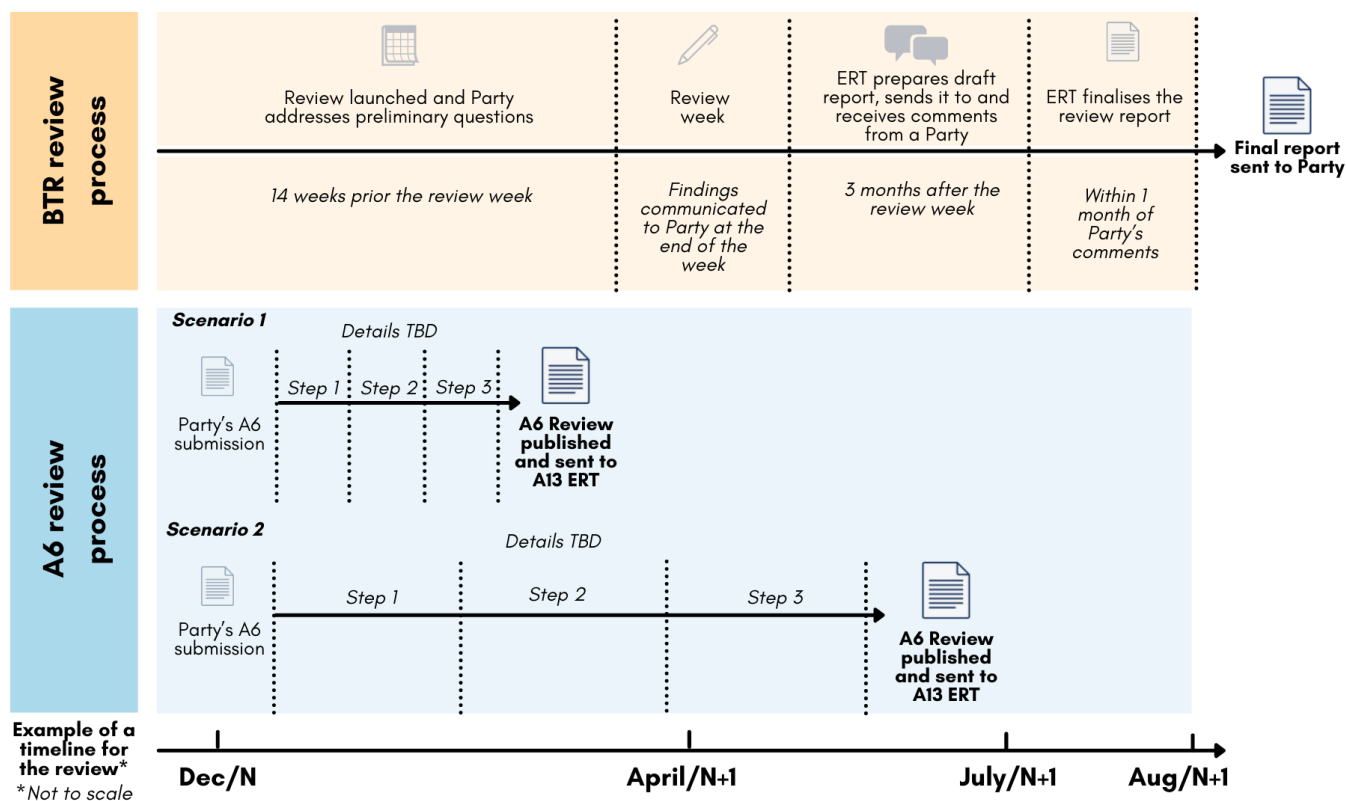
Source: Adapted from the chart shown at the UNFCCC website: <https://unfccc.int/enhanced-transparency-framework#eq-7>

Note: First three rows of the chart illustrate the provisions of Article 13 MPGs. The line on the bottom of the chart provides an example of minimal duration of Article 13 review process of 8 months. Following the existing practices, the reviews are expected to be staggered and the maximum duration in accordance with the Article 13 MPGs will be 12 months.

There is one more reason to expect any Article 6 MPGs to include a global deadline of no later than 12 months for completion of Article 6 review process. The information from the annual information report provided under §23 of the draft A6.2 guidance “shall” be included in the BTR biennially in years when BTR is submitted. Completion of Article 6 review of the annual information within less than a 12-month deadline would not only satisfy requirements of §28 of draft A6.2 guidance but would also enable Parties to take into account any findings from the review in its next annual submission.

There are at least two scenarios for the timeline of the two review processes that are both triggered by the respective Party’s submissions. In the first scenario, the two review processes are organised in sequence, meaning that even though the launch of both reviews is triggered by Party’s submissions under Article 13 (BTR), and Article 6, the latter completes much earlier to forward the report to the ERT under Article 13 in line with para 28 of the draft A6.2 guidance. In the second scenario, the two review processes run in parallel most of the time apart from a slight lag at the last stage of publication of the two reports when some staggering is needed and Article 6 review report is completed earlier in line with para 28 of the draft A6.2 guidance. Both scenarios are illustrated in Figure 9 below showing only the essential milestones of Article 13 review and assuming that detailed steps in Article 6 review will be elaborated as part of the Article 6 MPGs.

Figure 9. Two possible scenarios for Article 6 review timeline compared to the Article 13 review timeline



Note: This timeline serves for illustrative purposes only. N refers to a given year, where N+1 represents the following year. While the maximum duration of Article 13 review is 12 months, and the maximum duration of the individual steps is defined in the MPGs, the actual duration of each review may vary the duration of each step. Furthermore, reviews are likely to be staggered in line with the established practices under the UNFCCC to allow for an optimal use of expert reviewers.

Source: Authors.

In both scenarios, it is expected that both Article 13 and Article 6 reviews be triggered by the BTR and Article 6 submissions. While for Article 13 review, the submission by Party as a trigger for the review is defined in §162 of the MPGs, it will be essential to define such trigger in the draft A6.2 guidance. Another expectation is that the steps of Article 6 review process will be broadly similar to those for Article 13 review process (as in Figure 8), particularly sending initial questions, organising review week, and commenting on the draft report. Both scenarios are presented in Table 2 below together with an assessment of some advantages and disadvantages of each scenario in Figure 9. For simplicity, the latter does not map the flexibility provided to developing countries that needed it in light of their capacities and LDCs and SIDS.

For both scenarios, expectations are that each submission under Article 6 is subject to review. Indeed, MPGs define in §150 that “information submitted under Article 13, paragraphs 7 and 9, of the Paris Agreement shall undergo a technical expert review”. Similarly, draft A6.2 guidance, in its §26, indicates that “An Article 6 technical expert review consists of a review of the consistency of the information submitted pursuant to Chapter IV above (Reporting) with this guidance”. This means that the initial, annual, and regular reports/information submitted under Article 6 are subject to review and each review results in a review report. However, some ambiguity remains regarding the frequency and formats of some of these reviews.

To that end, a review of the initial report is deemed essential as this is the report through which a Party demonstrates that it fulfils participation requirements for Article 6.2. When submitted in conjunction with the BTR, the initial report could be reviewed following the format of the BTR review, i.e. is centralised, in-country or desk review³³, the same could apply to the regular information which is expected to be included in the BTR. Also, as highlighted in section 2. , it is not clear yet what would be the frequency of submission of the initial report. For example, if a Party submits an initial report that details information for each of the co-operative approaches in accordance with §18.f, is it expected to submit such reports for any further co-operative approaches and how these will be reviewed.

The annual information under Article 6 has to be submitted in an electronic format as a stand-alone document or included in the BTR every second year when the BTR is due. The nature and electronic format of such annual submission lend itself to a simplified review that is automated to the extent possible, similarly to the annual review of the SEF with the Kyoto units, or the simplified reviews by the secretariat of the annual GHG inventory submissions, when these are made in years when the BTRs are not due. In any case, it would be recommendable that any follow-up work after the Article 6.2 guidance is adopted provide more clarity on the frequency and format of Article 6 reviews taking into account the objective of the review process, but also the need for efficiency, effectiveness and practical approaches.

³³ Draft A6.2 guidance specifies in para 19, that “Each participating Party shall submit the information in paragraph 18 (f) above, for each further cooperative approach for inclusion in the centralized accounting and reporting platform in chapter VI.C (Centralized accounting and reporting platform), It is expected that a Party submit an initial report for all co-operative approaches. In the unlikely case, when a Party submits separate initial reports for such activities, it would be unpractical to schedule reviews for each one of them, but rather to cluster them for the purposes of review subject to consent by that Party.”

Table 2. Two possible scenarios for the timeline of Article 13 and Article 6 reviews and their advantages and disadvantages

	Scenario 1: The two review processes run in parallel most of the time	Scenario 2: The two review processes run only partly in parallel with Article 6 review completing much earlier than Article 13 review
Description	<p>Article 6 review is organized in parallel with Article 13 review and follows the same or similar steps, in particular, have the same review week and interact with a Party in terms of sending questions and draft reports for review.</p> <p>This scenario implies relatively high degree of interaction between the two review teams, in particular to keep the Article 13 ERT aware of the draft findings and draft reports prepared by the Article 6 team with a view to ensure consistency of reviews in relation to Article 6 information.</p>	<p>An Article 6 review is launched together or a few weeks earlier than Article 13 review, in particular if Article 13 reviews are staggered with a view to deal with limited pool of experts and large number of reviews compared to the existing practices.</p> <p>Ideally, the Article 6 review report, or at least the draft review report would be published or available much earlier than Article 13 review report, and available during the Article 13 review week. This implies shorter deadlines for each step of Article 6 review. This scenario implies lower degree of interaction of the two review teams and that the Article 6 expert that forms part of Article 13 ERT is able to provide any clarifications regarding findings in the Article 6 report in relation to para 77.d.</p>
Advantages	<p>Might be easier for a Party with a BTR under review to engage in the two reviews simultaneously with a fewer number of steps, e.g. in responding of questions or commenting on the two reports, in particular if both teams responsible for the two reports are closely integrated.</p>	<p>Easier to plan the two reviews as steps of the review process do not need to be co-ordinated, the degree of overall co-ordination is minimal with limited implications on the secretariat's resources.</p>
Disadvantages	<p>Will require high degree of planning and co-ordination between the two reviews by the secretariat and eventually more Secretariat staff resources.</p>	<p>The timeline for Article 6 review for this scenario is much shorter than that of Article 13 review and a Party may need to engage in more steps as the two reviews will not run in parallel most of the time. Yet, this may not be a problem, given that the scope of Article 6 is more narrow than that of Article 13, that involves NDC tracking, GHG inventory and support provided and received, and therefore needs more time and engagement of experts from the Party under review with competencies in many areas.</p>

Source: Authors.

It is difficult to identify the most likely scenario for the timeline of Article 13 and Article 6 reviews. The actual scenario for the two reviews could be a hybrid of the two scenarios presented here or another option. Moreover, many operational aspects will need to be addressed by the UNFCCC secretariat when organising the review processes. Nonetheless, co-ordinating the timelines of the Article 6 and Article 13 review processes to the extent possible and ensuring that the Article 6 review concludes with the publication of its report before the global 12-month deadline for the Article 13 review could help ensure efficiency and effectiveness of both review processes. To that end, the scenario where the Article 6 review report is published much earlier than that of Article 13 review report is preferable to the alternative scenario. Furthermore, some of the assumptions made here about the Article 6 timeline could be usefully unpacked in any Article 6 MPGs, to ensure clarity in each step of the review process and avoid ambiguity. This would include the timing of when the Article 6 review is launched and its overall duration.

4.4. Other issues related to the scope of Article 6 review that are not yet addressed in existing or proposed guidance

This section centres on other issues related to the scope of the review that are not yet addressed in existing or proposed guidance on Article 6. This includes the question on which team will cross-check numbers resulting from corresponding adjustments between two countries engaged in a cooperative approach, in particular when such adjustments are applied in the same year. However, because a number of countries could be involved in a number of transactions, this question is addressed here in a broader context by highlighting the role of the centralised reviews and the role of automation and ITMOs tracking system, provided that ITMOs have unique identifiers and serial numbers.

While in the absence of any Article 6 MPGs it might be difficult to arrive at a definite answer to this research question, it can be expected that following the provisions of section V, §26 of the draft A6.2 guidance, checking corresponding adjustments is a mandate for the Article 6 review team. In particular, this paragraph establishes that “an Article 6 TER team shall review the information submitted under chapter IV of Article 6 guidance on reporting of information per the modalities, procedures and guidelines adopted by the CMA”. In this regard, two more concrete questions arise: how can the Article 6 review team check the corresponding adjustments between the two countries engaged in a cooperative approach?, and how will it inform the Article 13 ERT of any outstanding problems with such adjustments? Some possible scenarios are outlined here in the absence of any Article 6 MPGs and based on previous experiences.

Looking at the Article 6 review, it will be impossible to schedule parallel reviews for Parties engaged in the same cooperative approach or in the same transaction because each Party might be engaged with several other Parties and multiple transactions are possible at any given year. Therefore, it would be helpful to organise a centralised review for Article 6 covering as many Parties as possible, within 2-3 time slots next to each other, e.g. shortly after the Article 6 submission. This will allow the relevant Article 6 ERTs to exchange information and then approach the Parties concerned if a problem with corresponding adjustments is identified. This might be particularly helpful at the beginning of the Article 6 review process as the format of centralised reviews provides for more exchanges among teams and enhanced consistency of reviews.

Allowing for a high degree of automation will be important even in the case of centralised reviews, in order to avoid the need for time-consuming manual or eyeball checks. Alternatively, the Article 6 ERT could conduct sample checks of corresponding adjustments, but this may mean that some errors are not captured. One possibility would be to have an automated check of information on corresponding adjustments based on the information contained in Article 6 database (§32 of Draft A6.2 guidance). Parties' information on corresponding adjustments will be recorded and prefilled tables in an electronic format will be generated. For such a system to work, it is essential that each ITMO has a unique serial number, e.g. as part of the unique identifier. This is in addition to the minimum requirements from paragraph 32.a of the draft A6.2 guidance that includes originating participating Party, vintage of underlying mitigation, activity type and sector.

This check of corresponding adjustments between any two Parties engaged in a cooperative approach will be in addition to the checks by the secretariat of consistency of information reported by any individual participating Party in accordance with paragraph 33 of the draft A6.2 draft guidance under the section on Article 6 registry. Such consistency check should precede the check of consistency of corresponding adjustments between two Parties engaged in a co-operative approach. In the best-case scenario, any issue with regards to such adjustments could be expected to be solved by Article 6 review, e.g. through consultations with a Party concerned and reflected in the review report to be forwarded to Article 13 review.

If any issue regarding corresponding adjustments between any two Parties engaged in cooperative approaches is not resolved during the Article 6 review, it is expected to be reflected in the Article 6 review report that will be forwarded to the Article 13 ERT. Article 13 review can reflect in its review report a summary of Article 6 findings and highlight any unresolved issues. Several options are possible here for the next steps by the Article 13 team. For example, it can reflect in its report in the structured summary corresponding adjustments and accounting balance as reported by the Party and the correct corresponding adjustments and accounting balance following the ERT calculation. The Article 13 ERT report will then be forwarded to the Article 15 Compliance and implementation committee for further consideration.

In summary, for this case of corresponding adjustments, to enable an efficient and effective review process, it would be essential to include in the draft Article 6 guidance a serial number of ITMOs, as part of its unique identifier, in addition to the minimum identifiers envisaged in §32.a of Draft A6.2 guidance, and to envisage in any Article 6 MPGs, a centralised option for Article 6 reviews and timing of such reviews that precedes Article 13 reviews.

There are likely other issues relating to the scope of the review that are not yet addressed in existing or proposed guidance on Article 6. It is essential that such issues are identified and analysed with a view either to include them in draft A6.2 guidance before its adoption at CMA3 in Glasgow or to be addressed in any Article 6 MPGs to be developed and agreed after the adoption of Article 6 RMPs.

5. Conclusions

This paper has analysed issues related to draft reporting and review requirements under Article 6.2 (“A6.2”) of the Paris Agreement and their interplay with agreed reporting and review requirements under Article 13. The paper has focused on issues related to the complementarity and consistency of the timing, sequencing, and content of information to be reported and reviewed under these Articles. There are several overlaps between reporting and review provisions proposed under Article 6 and those agreed under Article 13 of the Paris Agreement, both in terms of content, timing, and sequencing. There are opportunities to elaborate processes for reporting and review under both Articles that are compatible and consistent with each other to minimise the reporting burden on all concerned and streamline resource requirements.³⁴ Harmonised and complementary reporting and review requirements agreed under Article 13 and Article 6 would help reduce ambiguity, inconsistencies and potential errors, lessen reporting burden by Parties, and ensure that reporting follows the previously agreed Transparency, Accuracy, Consistency, Comparability, and Completeness (TACCC) principles.

Reporting and review requirements in draft A6.2 guidance are at a lower level of detail than the modalities, procedures, and guidelines (MPGs) agreed for Article 13 at COP24 in 2018. While reporting and review provisions under the MPGs and draft A6.2 guidance are broadly consistent with each other, some issues still need to be addressed – including those that could impact the environmental integrity of the Article 6 framework (e.g., the ability or not to bank ITMOs for use across NDC implementation periods). This paper has identified opportunities for clarifying draft Article 6.2 reporting and review requirements to enhance complementarities and consistency with reporting and review requirements under Article 13 and facilitate the clarity and subsequent implementation of A6.2 provisions in the future. While recognising that re-opening draft texts for Article 6.2 on reporting and review entail some risks, making targeted and often minor changes to draft A6.2 guidance would greatly facilitate its future implementation. This, in turn, would enhance consistency with the TACCC principles and would increase environmental ambition over time.

Several issues related to timing, content, and frequency of A6.2 reporting and review could usefully be clarified or elaborated. Table 3 summarises the principal outstanding issues identified in this paper and the potential options to address these. These issues are of varying complexity and could be resolved in different timeframes. In particular:

- The upcoming negotiating session at COP26 could resolve issues that would require (sometimes only) minor additions or clarification to the latest draft A6.2 guidance from COP25 (e.g., frequency and timing of annual information reporting, acknowledging the potential time lag between ITMO transfer, acquisition, and use).
- Discussions at COP26 could also address more complex or political issues that have implications for reporting and review under Article 6 (e.g., related to the banking of ITMOs, liability for any reversal of emission removals). However, a resolution of these issues may need further work subsequently, e.g. through future SBSTA work.

³⁴ Noting that, while guidance for reporting and review under Article 6.2 is currently being negotiated, guidelines for reporting and review under Article 13 are already agreed.

- Future SBSTA work could develop outlines for Article 6.2 reports, and modalities, procedures, and guidelines for Article 6 reviews, as well as other issues such as the format in which information is to be submitted in the Article 6 database or the CARP, as per paragraphs 3 and 4 of draft A6.2 guidance.

Beyond technical changes and amendments that could be addressed in the context of the climate change negotiations and SBSTA work, a small number of issues related to the co-ordination of sequencing of reporting and review under Article 6.2 and Article 13 could be developed as an established practice, once reporting and review under the Paris Agreement has been launched. This would follow the example of some review processes carried out in the UNFCCC context.

Overall, this paper finds that a number of provisions currently included in draft A6.2 guidance could usefully be modified to provide more clarity regarding the frequency, timing, and content of initial reports, annual information, and regular information under Article 6.2. This would improve complementarity and consistency with cross-cutting information required under both Article 13 and Article 6. Some of these clarifications are very simple yet could greatly facilitate understanding of the provisions once agreed. For example, the frequency of submitting the initial report, and whether an initial report is to be submitted more than once, e.g., at the beginning of each NDC cycle. Similarly, for annual information, further clarity may be needed that this information is to be reported “annually”, and on which date.

In addition, this paper finds that further guidance on content, frequency, and timing of reporting would be helpful in several areas relating to ITMOs (Table 3), in particular areas related to corresponding adjustments, possible banking of ITMOs (which is not explicitly excluded in COP25 Article 6.2 draft Presidency texts), ITMOs acquired but not yet used, possible reversals of emission removals, and the vintages of ITMOs. Much of this further guidance could be addressed by small changes or additions to draft A6.2 guidance. For example, Article 6.2 reporting and review provisions could usefully acknowledge and allow for the potential time lag between the first transfer of ITMOs and their use. This would simplify tracking, reporting, and review – particularly for the transferring Party – compared to the current draft texts, which imply that the transferring Party would only apply corresponding adjustments once the transferred ITMOs have been used. Such a change would also facilitate planning by the transferring Party. Changing the current draft A6.2 guidance to extend Party reporting provisions to include the cumulative quantity of ITMOs acquired (even if not yet used) could also help Parties better track their potential to use cooperative approaches towards their NDC. Draft A6.2 guidance and, potentially, draft A6.4 guidance could also usefully be modified to address the issue of who would bear liability for any reversals of ITMOs associated with emission removal activities, as the current drafts do not address this issue.³⁵

Draft A6.2 guidance could also usefully clarify issues relating to the vintages of information to be reported and reviewed. This is because the vintages of ITMOs transferred, acquired, cancelled, or used can be different from the years for which GHG information reported in a Party’s annual report and BTR. This difference is partly for tracking-related reasons, e.g., while information on ITMO transfers is likely to be tracked electronically and thus be quickly available in a Party’s (or international) registry, there is likely to be a 2-3 year delay before GHG inventory information for the year of an ITMO transfer is available. This disconnect is also partly due to potential time lags between acquiring and using ITMOs.

In terms of reviews under Article 6 and Article 13, one of their objectives is to ensure consistency with the reporting guidelines. As such, having a clear legal basis for reporting is key. While Article 13 MPGs provide

³⁵ For example, if emission removals are reversed, and these emission removals have been internationally transferred under Article 6.2, whether it would be contingent on the buyer Party or the seller Party to address such reversals. Or alternatively, whether the liability for any potential reversals of emission removals could be handled on a case-by-case basis between participating Parties, prior to any agreement on ITMO transfer between them.

such a basis, ensuring greater clarity on reporting and review provisions under Article 6 will significantly enhance Article 6 review processes and facilitate them meeting their objectives. This includes clarifying issues related to the content, frequency, and timing of some of the Article 6 reports.

Current review processes under the UNFCCC also highlight the importance of having a clear legal basis for reporting to ensure robust review processes, identifying what triggers reviews, and understanding how to sequence two related review processes. Under current review processes, reviews are normally triggered by the submission to the UNFCCC of the relevant reports. Therefore, in the context of consideration of the interplay between Article 13 and Article 6 reviews, it is essential to clarify which report(s) will trigger review under the Paris Agreement and the respective timelines of such reviews. Experience with the current review processes has also dealt with similar or overlapping information in different reports by avoiding the review of the same information twice and instead summarising the outcome from the related reviews when necessary to avoid confusing outcomes and ensure efficiency and effectiveness.

This paper suggests that there are several outstanding issues related to content and timing of review under Article 6.2 where further elaboration of the draft guidance could increase clarity and facilitate implementation. These include: (i) adding a serial number to the ITMOs as part of the unique identifiers and (ii) identifying how from an Article 13 perspective to deal with the report from the Article 6 review of the initial report under section IV.A of the draft A6.2 guidance when it is not submitted in conjunction with the next BTR.

Overall, there are opportunities to maintain consistency in terms of substantive areas and timing of Article 6 MPGs that are yet to be developed with existing Article 13 MPGs. For review, this includes: (i) TER frequency and format, namely centralised, in-country, desk or simplified review and when they are applicable; (ii) confidentiality; (iii) roles of Party, the TER team, and the secretariat in the review, and; (iv) TER team and institutional arrangements, including requirements for the review experts, ERT composition and role of the lead reviewers. On procedure and timeline, this includes; (i) procedure for the review with the timeline for each stage of the review process; (ii) co-ordinating Article 6 and Article 13 review timeline as much as possible, and; (iii) ensuring that the Article 6 review concludes well before the Article 13 review to enable timely submission of Article 6 review report to Article 13 ERT for their further consideration.

Table 3. Overview of outstanding issues identified in Article 6.2 reporting and review guidance

Issue	Description	Where can this issue be addressed?	How can the issue be addressed?
Frequency of initial report submission	Draft A6.2 guidance does not specify whether the initial report is a recurrent submission and, if so, how often it shall be reported.	Draft A6.2 guidance	Draft A6.2 guidance could provide a clearer indication on whether an initial report is to be submitted more than once; e.g. at the beginning of each NDC cycle.
Content of initial report	Draft A6.2 guidance provides clear indications on what information shall be included in the initial report. However, many Parties regard this information to be insufficient.	Draft A6.2 guidance	The list of information elements to be included in the initial report could be expanded to also include elements that shall be reported under regular information e.g. what is currently listed in paragraph 22 of draft A6.2 guidance.
Frequency and timing of annual information reporting	Draft A6.2 guidance does not specify which date in the year annual information is to be reported and does not provide clear guidance on whether this annual information is to be submitted annually.	Draft A6.2 guidance	Draft A6.2 guidance could provide a clear indication that annual information shall be reported “annually”, and provide a date by when such information shall be reported. To alleviate reporting burden on countries and to enhance efficiency, this information could be reported by December of each year, as it would allow countries to pair this information with their BTR submission in even years.
Relationship between annual information and “annual information report” under regular information	Draft A6.2 guidance does not clarify the link, if any, between annual information (§20 of draft A6.2 guidance) and the annual information report (§23 of draft A6.2 guidance)	Draft A6.2 guidance and/or future A6.2 work under the SBSTA	There are numerous and substantial overlaps in terms of the content of information to be reported under annual information and in the annual information report under draft A6.2 guidance. Furthermore, both types of information are to be reported in the Article 6 database. To ease the reporting burden on Parties, future A6.2 work under the SBSTA on reporting could make more explicit the link between these two types of information and work on further harmonising the reporting requirements between the two so to render them, <i>de facto</i> , the same type of information.
Years covered by the emission balance	Draft A6.2 guidance does not clarify the years that would need to be covered by the emission balance referred to in paragraph 23.f.	Draft A6.2 guidance	Draft A6.2 guidance could specify the years (i.e. the time series) that would need to be covered by the emission balance and in particular whether this refers to each calendar (or fiscal) year, and/or each year with a NDC target.
Guidance on ITMO vintage for reporting	Draft A6.2 guidance does not clarify for which years information on ITMOs shall be reported.	Draft A6.2 guidance and/or future A6.2 work under the SBSTA	Draft A6.2 guidance could provide clear indication for which years information on ITMOs shall be reported. This is particularly relevant for corresponding adjustments. Draft A6.2 guidance could, for example, clarify that corresponding adjustments are to be applied to years for which the national GHG inventory is available.
Time lag between ITMO first transfer and ITMO use	Draft A6.2 guidance does not acknowledge that there may be a gap between ITMO first transfer and ITMO use.	Draft A6.2 guidance	Draft A6.2 guidance could rectify this issue by changing mentions of “first transfer and use” to “first transfer or use”, and by requiring Parties to report in their annual information report on the annual and cumulative quantity of ITMOs acquired (but not yet used) as well as ITMOs used.

Issue	Description	Where can this issue be addressed?	How can the issue be addressed?
Application and reporting of a corresponding adjustment	There is ambiguity on what is meant by “applying” a corresponding adjustment	Draft A6.2 guidance	Draft A6.2 guidance could clarify that “applying” a corresponding adjustment means both performing and reporting this corresponding adjustment, and could highlight the maximum delay allowable between these two steps.
Possible “banking” of ITMOs across different NDC implementation periods	Draft A6.2 guidance would implicitly allow banking of ITMOs across different NDC implementation periods.	Draft A6.2 guidance	Draft A6.2 guidance could provide an explicit indication of whether banking of ITMOs across different NDC implementation periods can occur, and if not, what provisions would need to be added to prevent it (e.g. limited time availability for ITMO use following transfer).
Party’s engagement in a cooperative approach that is expected to lead to emissions removals	Draft A6.2 guidance on initial report does not include information on whether the Party is engaging in a cooperative approach that is expected to lead to emissions removals.	Draft A6.2 guidance	Draft A6.2 guidance for the initial report could be expanded to include information on whether the Party is engaging in a cooperative approach that is expected to lead to emissions removals, and if so, what type of emissions removals (e.g., re/afforestation).
Quantitative information on ITMOs authorised and first transferred that relate to emissions removals	Draft A6.2 guidance for the annual report does not include information on quantitative information on ITMOs authorised and first transferred that relate specifically to emissions removals	Draft A6.2 guidance	Draft A6.2 guidance for the initial report could be expanded to include quantitative information on ITMOs authorised and first transferred that relate specifically to emissions removals. This could entail requiring Parties to distinguish between the quantity of ITMOs first transferred from emission removal activities and from emission reduction activities.
Reversals of ITMOs generated by emission removals	Draft A6.2 guidance does not provide detailed guidance in relation to who bears the liability for any reversals of emission removals, or how to address such reversals.	Draft A6.2 guidance, draft A6.4 guidance, and future A6.2 work under SBSTA	Draft A6.2 guidance on the application of corresponding adjustments could usefully be amended, to clarify whether it would be the responsibility of the transferring or acquiring Party to address any reversals (or whether this could vary on a case by case basis, e.g. as agreed up front by participating Parties). Draft A6.4 guidance could also include this issue (e.g. clarifying whether verification of A6.4 activities should encompass verification that any emission removals have not been reversed). Future A6.2 work under SBSTA could elaborate the monitoring and reporting provisions needed to demonstrate how any such reversals have been addressed.
Detailed guidance on substantive aspects of Article 6 review process	Draft A6.2 guidance does not cover a number of issues that are essential to operationalise the review process	Draft A6.2 guidance and future A6.2 work under SBSTA	Elaborate during future work under SBSTA on Article 6 MPGs the following issues in a manner that is consistent with Article 13 MPGs: the TER format; an overview of the review procedure with a timeline for each stage of the review process; confidentiality, a description of the roles of Party, the TER team and the Secretariat in the review. At a minimum, the draft A6.2 guidance would need to enumerate possible formats of Article 6.2 reviews and highlight that when Article 6 regular information is included in the BTR, it can be reviewed following the format of BTR review as defined in the MPGs, except perhaps review of some ITMOs information that is expected to be submitted in an electronic format and can be reviewed using automated approaches. A6.2 guidance could also usefully outline the UNFCC secretariat’s role in relation to co-ordinating Article 6 reviews, with more detailed

Issue	Description	Where can this issue be addressed?	How can the issue be addressed?
Co-ordinating the timeline of Article 6 and Article 13 review processes	Draft A6.2 guidance only specifies that Article 6 ERT "shall" forward its reports for consideration by the TER under Article 13. without specifying the steps and timeline in Article 6 review.	Draft A6.2 guidance and future A6.2 work under SBSTA	recommendations on timelines etc. being elaborated subsequently by SBSTA. Elaborate Article 6 review steps and timeline that is consistent with that of Article 13 review and allows for Article 6 review report to be forwarded to Article 13 ERT well in advance of its 12-months maximum timeline. In doing this, it is essential for the overall integrity, efficiency, and effectiveness under the Paris Agreement to capitalise on Article 13 MPGs to ensure consistency between the two review processes, for example to indicate that the review process is initiated by a Party submission .
Article 6 review of an initial report that is not submitted as part of the BTR	Draft A6.2 guidance does not clarify the process for the review of the initial report when not submitted in conjunction with the next BTR	Draft A6.2 guidance	Draft A6.2 guidance could better clarify how the report resulting from Article 6 review of the initial report would interact with the Article 13 review process when it is not submitted in conjunction with the next BTR.

Source: Authors, based on (UNFCCC, 2019^[8]; UNFCCC, 2019^[24]; UNFCCC, 2019^[25]; UNFCCC, 2019^[9]).

Annex A. Understanding agreed and planned reporting provisions under Articles 13 and 6.2

Overview of relevant Article 13 and draft Article 6.2 reporting provisions

This annex outlines reporting requirements on information on the use of cooperative approaches and related ITMOs included in the Article 13 MPGs and draft Article 6.2 guidance. The annex also highlights reporting requirements of any other information relevant for reporting on cooperative approaches, such as information on national GHG inventories. An overview of what informational elements are to be reported where is presented in Table 4, at the end of this annex.³⁶

Reporting on cooperative approaches under Article 13

Reporting requirements on the information necessary to track progress made in implementing and achieving NDCs, including through the use of cooperative approaches, are outlined in Chapter III of the MPGs (UNFCCC, 2019_[8]). These include reporting information on the intention to use cooperative approaches (§64.f of the MPGs), as well as technical details on methodologies associated with any cooperative approaches (§75.f and §64.g of the MPGs) (UNFCCC, 2019_[8]). In addition, paragraph 77.d of the MPGs provides more granular guidance on the elements that are to be reported by the participating Parties in cooperative approaches that involve the use of ITMOs towards an NDC. This information “shall” be reported consistently with relevant decisions adopted by the CMA on Article 6 (§77.d of the MPGs). Required reporting elements outlined in paragraph 77.d include information on:

- National GHG emissions and removals by sources and sinks covered by the NDC (§77.d(i) of the MPGs);
- A balance of GHG emissions covered by the Party’s NDC adjusted on the basis of corresponding adjustments (§77.d(ii) of the MPGs);
- Information on how each cooperative approach promotes sustainable development, and ensures environmental integrity and transparency (including in governance) and applies robust accounting (§77.d(iv) of the MPGs).

All information elements on the use of cooperative approaches outlined in the MPGs “shall” be reported in Parties’ Biennial Transparency Reports (BTRs). All Parties “shall” submit the first BTR by, 31 December 2024, at the latest, except for SIDS and LDCs, which may submit BTRs at their discretion (§3 and §4 of decision 18/CMA.1) (UNFCCC, 2019_[8]). Thereafter, BTRs are to be submitted biennially. The information included under paragraph 77.d, specifically, “shall” be reported in a structured summary (§77 of the MPGs) (UNFCCC, 2019_[8]). The format and layout of the structured summary are currently being negotiated under the SBSTA that has a mandate to develop, among others, common tabular formats for the electronic reporting of the information referred to in chapter III, that is on tracking progress made in implementing

³⁶ Issues related to overlaps of information to be reported in more than one reporting vehicle are addressed in section 3.

and achieving NDCs under Article 4 of the Paris Agreement taking into account the existing common tabular formats and common reporting formats. An agreement on this matter is expected at COP26. Many Parties are of the view that the structured summary would consist of one or more common tabular format (CTF) tables for electronic reporting of information, as they believe the structured summary is to contain a significant amount of quantitative information (UNFCCC, 2021^[33]; Rocha and Ellis, 2020^[34]).

Information to be provided under paragraph 77.d(i) of the MPGs, namely, information on GHG emissions and removals by sources and sinks covered by the NDC, is based on or derived from what Parties report as part of their national GHG inventory report (NIR) to the UNFCCC. Chapter II of the MPGs outlines detailed guidance on the preparation and reporting of national GHG inventories. Accordingly, a NIR “shall” be prepared and reported by all Parties. NIRs are a mandatory component of Parties’ BTRs. In accordance with paragraphs 12 and 10 of the MPGs “the NIR [...] may be submitted as a stand-alone report or as a component of a BTR”, and that in the BTR, each Party “shall provide a NIR” (UNFCCC, 2019^[8]). Experience under current reporting guidelines indicates that Non-Annex I countries prefer to submit NIRs at the same time as the relevant national report due that same year, be it a Biennial Update Report (BUR) or a National Communication (NC).³⁷ Importantly, NIRs prepared in accordance with the MPGs contemplate the use of flexibility by those developing country Parties that need it in the light of their capacities, which could affect a number of reporting requirements under the MPGs, including the completeness and coverage of the time series of the national GHG inventory (see Box 2). While not immediately relevant to the implementation of Article 6, the application of some flexibility provisions to the preparation of the NIR could affect reporting under Article 6.2. These instances are highlighted where relevant throughout the paper.

According to the MPGs, the NIR is to be accompanied by a set of common reporting tables (CRTs), which would include quantitative data on an annual basis on a Party’s national GHG emissions. The CMA, by its decision 18/CMA.1, requested the SBSTA to develop a set of CRTs for the electronic reporting of national GHG inventories. The CRTs are currently being negotiated and a final set of tables are expected to be adopted at COP26. Ongoing discussions under the SBSTA suggests that the CRTs will likely build upon the set of common reporting format (CRF) tables currently in use by Annex I Parties for their reporting of national GHG inventories and will likely be generated by a reporting software, a CRT Reporter (Falduto and Wartmann, 2021^[10]; Falduto, Wartmann and Rocha, 2020^[35]).

³⁷ Few examples of countries that have not submitted a NIR at the same time as the BUR are: Afghanistan (BUR1 on 13 Oct 2019; NIR on 1 Mar 2020); Argentina (BUR3 on 26 Nov 2019 and NIR on 3 Mar 2020); Cambodia (BUR1 on 13 Aug 2020 and NIR on 10 Nov 2020); Colombia (BUR2 on 28 Dec 2018 and NIR on 11 Apr 2019); Costa Rica (BUR2 on 23 Dec 2019 and NIR on 11 Mar 2020); Ecuador (BUR1 on 21 Sep 2016 and NIR on 11 Jul 2017); Panama (BUR2 on 27 Mar 2021 and NIR on 17 Jun 2021).

Box 2. Use of flexibility in national GHG inventories

In accordance with Article 13.2 of the Paris Agreement, the ETF “shall” provide to those developing countries that need it in the light of their capacities flexibility in the implementation of some of the reporting requirements that are outlined in the MPGs (Paris Agreement, 2015^[36]). This means that, for some reporting requirements, the MPGs include specific flexibility provisions that can affect the scope, frequency, and level of detail of Parties’ reporting.

The majority of flexibility provisions included in the MPGs concern the preparation of national GHG inventories. In particular, flexibility is granted to those developing countries that need it in the light of their capacities in relation to:

- **Threshold used to identify key categories in the inventory.** Developing countries that need flexibility in the light of their capacities can use a threshold no lower than 85% in place of the 95% threshold defined in the IPCC guidelines to identify key categories.
- **Level of detail of the information to be provided in the context of uncertainty assessment.** Developing countries that need flexibility in the light of their capacities have the flexibility to provide, at a minimum, a qualitative discussion of uncertainty for key categories, in place of quantitatively and qualitatively discussing the uncertainties.
- **Threshold used to identify emissions from a category as “insignificant” and therefore, not estimate them.** Developing countries that need flexibility in the light of their capacities have the flexibility to consider emissions from a category insignificant if the level of emissions is likely below 0.1% (in place of 0.05%) of the national total and 1000kt CO₂ eq (in place of 500 kt CO₂ eq), whichever is lower.
- **Whether a quality assurance/quality control (QA/QC) plan shall be elaborated in the inventory.** Developing countries that need flexibility in the light of their capacities are only requested, and not required, to elaborate an inventory QA/QC plan.
- **Greenhouse gases reported.** Developing countries that need flexibility in the light of their capacities have the flexibility to report, instead of all the seven GHGs, at least three gases (CO₂, CH₄, and N₂O) as well as any of the additional four gases (HFCs, PFCs, SF₆, and NF₃) that are included in the Party’s NDC under Article 4 of the PA, are covered by an activity under Article 6 of the PA, or have been previously reported.
- **Completeness and latest reported year of the inventory’s time series.** Developing countries that need flexibility in the light of their capacities have the flexibility to report, in place of a consistent annual time series from 1990 to two years prior to the submission of the NIR, data covering, at a minimum, the reference year/period for its NDC and, in addition, a consistent annual time series from at least 2020 onwards. The latest reporting year can be three years prior to the submission of their national inventory reports.

Source: Authors, based on (UNFCCC, 2019^[8]).

Reporting under draft Article 6.2 guidance

Reporting requirements for Parties participating in a cooperative approach are outlined in chapter IV of draft A6.2 guidance, which identifies three sets of information and reports on cooperative approaches that participating Parties “shall” report with different periodicities (UNFCCC, 2019_[24]; UNFCCC, 2019_[25]; UNFCCC, 2019_[9]). These are the initial report, annual information, and regular information. Some of the information requested in these reports under Article 6 (particularly for the regular information report under Article 6) will already be reported under Article 13.

- The **initial report** is to allow Parties to demonstrate that they meet the necessary requirements to participate in a cooperative approach and “shall” be submitted no later “than the time of providing or receiving authorisation or initial first transfer of ITMOs from a cooperative approach” (§18 of draft A6.2 guidance) (UNFCCC, 2019_[24]; UNFCCC, 2019_[25]; UNFCCC, 2019_[9]). . . Furthermore, the initial report “shall” also include technical details on methodologies associated with any cooperative approaches (e.g., ITMO metrics and methods for CA).
- **Annual information** “shall” include detailed information on, *i.a.*, ITMO authorisation, transfer, acquisition, holdings and cancellation; use towards NDCs and details on participating Party, sector and activity type of any cooperative approaches. This information is unlikely to be reported at this level of detail in Party reports under Article 13. This information “shall” be submitted by the participating Party in an agreed electronic format to the Article 6 database (§20 of draft A6.2 guidance) (UNFCCC, 2019_[24]; UNFCCC, 2019_[25]; UNFCCC, 2019_[9]).
- **Regular information** “shall” be included in the participating Party’s BTR, and “shall” include any updates to the information provided in the initial report. Reporting requirements for regular information are provided at a higher level of detail compared to requirements for the initial report and annual information. They can be divided into three types of requirements:
 - Overarching and general information on e.g. how a Party continues to fulfil participation requirements, any updates of the information contained in the initial report and ways to avoid double counting in relation to corresponding adjustments and ITMOs (§21 of draft A6.2 guidance);
 - Specific information for each co-operative approach on e.g. how it ensures environmental integrity or how it contributes to the mitigation of GHG emissions (§22 of draft A6.2 guidance);
 - As part of regular information, Parties “shall” include an annual information report, which “shall” include annual and cumulative³⁸ information on ITMO transfer, authorisation and use (§23 of draft A6.2 guidance). Draft A6.2 guidance does not clarify whether the annual information report holds any linkage with the annual information mentioned in paragraph 20 of A6.2 guidance, although the two cover many of the same elements. This issue is further discussed in the next section. Information reported as part of the annual information report “shall” also be submitted in the Article 6 database.

³⁸ It is not clear from the draft texts whether references to “cumulative” quantities are for an individual NDC period only (e.g. as implied by paragraph 23d of draft 6.2 texts) or across multiple NDC implementation periods. Clarifying this in the final texts could facilitate both reporting and review.

There are a number of issues e.g. in terms of clarity or consistency of the reporting requirements currently included in draft A6.2 guidance that may benefit from further discussion and that may be adjusted in the context of the current Article 6.2 negotiations. However, paragraph 3 of draft A6.2 guidance requests the SBSTA to develop, inter alia, outlines for the information required to chapter IV of the guidance (i.e. Reporting) (UNFCCC, 2019^[24]; UNFCCC, 2019^[25]; UNFCCC, 2019^[9]). This can imply that any further and more substantive refinements to any A6.2 guidance if agreed by Parties at COP26, can be undertaken as part of future work under the SBSTA. The outstanding issues that would benefit from further clarification in draft A6.2 guidance or in future work under the SBSTA are discussed in section 3.

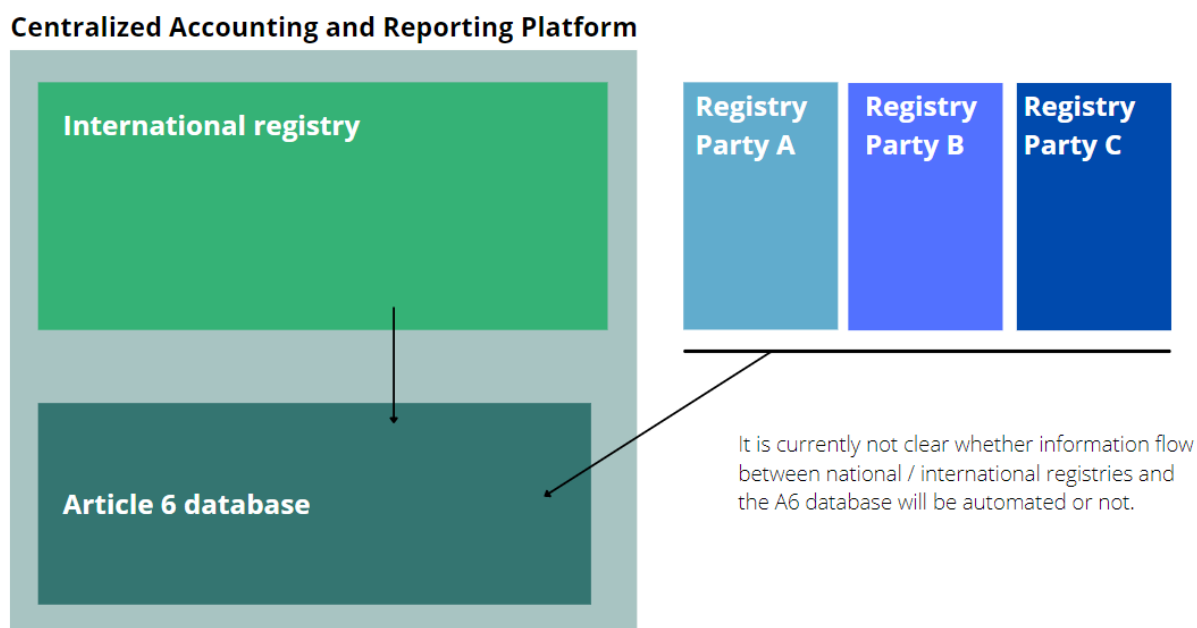
Tracking and reporting platforms and overall infrastructure

Reporting under Article 6.2 of the Paris Agreement is to take place through different reporting platforms and electronic formats. Draft A6.2 guidance refers to four reporting platforms, specifically: national and international registries (§29-31); the Article 6 database (§32-34); the Centralized accounting and reporting platform (CARP) (§35-36); and the so-called “buffer registry” (§10).³⁹ Figure 10 provides an overview of the different reporting platforms and their interactions. Draft A6.2 guidance offers sufficient/adequate levels of detail regarding the purpose and content of each platform.

Paragraph 6 of draft A6.2 guidance mandates the SBSTA to “elaborate modalities and procedures relating to infrastructure, including registries, the international registry, the Article 6 database and the centralized accounting and reporting platform” (UNFCCC, 2019^[24]; UNFCCC, 2019^[25]; UNFCCC, 2019^[9]), indicating that further guidance on the structure and functioning of such platforms will be elaborated after draft A6.2 guidance is agreed.

³⁹ The reference to buffer registry was made in the first version of the draft guidance: “[Parties] (...) shall apply corresponding adjustments by applying an addition to and subtraction from a starting point of a zero balance in a buffer-registry (...)” (UNFCCC, 2019^[24]). In the second version, the reference to buffer registry was removed, and further information on accounting for non-GHG ITMOs was added: “[Parties] (...) shall apply corresponding adjustments by applying an addition to and subtraction from the annual level of the relevant non-GHG indicator used by the Party to track progress towards the implementation and achievement of its NDC in accordance with decision 18/CMA.1 (...)” (UNFCCC, 2019^[25]). In the third version, the reference to buffer registries was edited as follows: “[Parties] (...) shall apply corresponding adjustments in a buffer registry by applying an addition to and subtraction from the annual level of the relevant non-GHG indicator used by the Party to track progress towards the implementation and achievement of its NDC in accordance with decision 18/CMA.1 (...)” (UNFCCC, 2019^[9]).

Figure 10. Overview of reporting infrastructure under Article 6.2



Source: Authors.

National and international registries

According to draft A6.2 guidance, Parties participating in a cooperative approach “shall have, or have access to” a registry to track ITMOs (§29 of draft A6.2 guidance) (UNFCCC, 2019^[24]; UNFCCC, 2019^[25]; UNFCCC, 2019^[9]). These registries will fulfil a function to record the following: authorisation, first transfer, transfer, acquisition, cancellation, use towards NDCs, authorisations for use towards other international mitigation purposes, and voluntary cancellations (§29 of draft A6.2 guidance) (UNFCCC, 2019^[24]; UNFCCC, 2019^[25]; UNFCCC, 2019^[9]). The registries “shall” also record information on unique identifiers (§29 of draft A6.2 guidance)

Some participating Parties might not have the expertise, resources, or inclination to create such national registries themselves (ADB 2020). Draft A6.2 guidance therefore envisages that the UNFCCC secretariat “shall” implement an international registry as part of the CARP (see section below) to function as a registry for “participating Parties that do not have a registry or have access to a registry” (§30-31 of draft A6.2 guidance) (UNFCCC, 2019^[24]; UNFCCC, 2019^[25]; UNFCCC, 2019^[9]).

Some points regarding the registries remain to be clarified. Draft A6.2 guidance does not provide details beyond functional requirements, e.g. it remains unclear what qualifies as a registry, how such registries would work and any data standards with which the registries must comply. Many participating Parties have developed registries that track ETS transfers in or across their jurisdiction(s) or track domestic or international credits (ADB, 2020). In current experience, the term “registry” has been used for the infrastructure that holds and tracks assets (e.g., CERs and ERUs in the Kyoto Protocol market). It is unclear how the function of the national registries under the Paris Agreement would be similar and would go beyond merely keeping information related to ITMOs (ADB, 2020). Furthermore, it is unclear if and how ITMO information stored in national or international registries would inform reporting to the Article 6 database in accordance with provisions of §20 of A6.2 guidance.

The Article 6 database

The Article 6 database “shall” enable the recording of the corresponding adjustments and emissions balances for and information on ITMOs (namely: first transfer, transfer, acquisition, holding, cancellation, and/or use by participating Parties). It “shall” also record the unique identifiers for each ITMO, which “shall” identify at a minimum, the originating participating Party, vintage of underlying mitigation, activity type and sector (§32.a of the draft A6.2 guidance). Both annual information and regular information, including the annual information report, under draft A6.2 guidance, “shall” be submitted by each participating Party in the Article 6 database. To that end, Article 6 database “shall” enable Parties to prefill the agreed electronic format tables (§32.b of draft A6.2 guidance) to enable Parties to submit annual information (§20 of draft A6.2 guidance).

The Article 6 database is expected to play an essential role in the review process of the information reported under Article 6.2 (see section 5.). In particular, it “shall” enable the identification of inconsistencies in the quantified data reported (§32.c of draft A6.2 guidance). The UNFCCC secretariat “shall” verify any inconsistencies (§33.a of draft A6.2 guidance) and notify these to the participating Party (§33.b of draft A6.2 guidance) to enable Parties to fix any issue prior to the technical reviews. Further, the information on cooperative approaches recorded in the Article 6 database “shall” be provided to the Article 6 technical expert review team (§33.c of draft A6.2 guidance). The information in the database may be modified upon the participating Party’s request, either in response to any inconsistencies raised by the secretariat or as a result of recommendations arising from the Article 6 technical expert review (§34 of draft A6.2 guidance).

The structure, layout, and functioning of the Article 6 database are yet to be developed. In particular, it is not yet clear how and in what format Parties will input information into the database and the format for the prefilled information referred to in the previous para. Furthermore, the exact nature of the link between the national and international registries and the Article 6 database remains unclear. Importantly, if information from national and international registries is to feed automatically into the Article 6 database, discussions and agreement on a standardised format for reporting and to store information in the national and international registries would be needed, perhaps following the adoption of Article 6 guidance.

The Centralized Accounting and Reporting Platform (CARP)

The CARP is the overarching information platform that enables transparency on Article 6 activities, supports the technical review process and allows the secretariat to publish all information submitted by Parties in relation to Article 6.2. Through the CARP, the UNFCCC secretariat “shall” maintain public information on ITMOs; maintain links to the publicly available information submitted by participating Parties on the cooperative approaches in which they participate, and provide an annual report to the CMA on the activities in relation to recording and tracking under Article 6.2, including information on recorded ITMOs, corresponding adjustments and emissions balances (§36 of draft A6.2 guidance).

The platform is expected to be an online portal that is designed to accommodate the Article 6 database and the UNFCCC international registry and to maintain all the other publicly available information relating to ITMOs (Michaelowa, Espelage & Müller 2020; Michaelowa and Espelage 2020). However, further elaboration on this matter may be needed (ADB, 2020).

Table 4. Overview of planned and agreed reporting requirements under Articles 13 and 6.2 of the Paris Agreement

Information item	Initial Report (draft A6.2 guidance)	Regular information (draft A6.2 guidance)	Annual information (draft A6.2 guidance)	BTR and/or NIR (§77.d of Article 13 MPGs)*
Fulfilling participation requirements				
ITMO metrics				
ITMO authorisation				
ITMO transfer				
Method for corresponding adjustment				
Description of the cooperative approach				
Expected mitigation of the cooperative approach				
Participating Parties involved				
ITMO use towards NDCs				
Annual GHG emissions covered by the NDC				
ITMO vintage, sector and activity type				
Emission balance adjusted on the basis of corresponding adjustment				
Information on how each cooperative approach promotes sustainable development, ensures environmental integrity and transparency				
Authorisation for use towards other international mitigation purposes				

Note: *Paragraph 77.d(iii) could include any or all of the information items listed in the table. Therefore, paragraph 77.d(iii) is not taken into consideration for the purpose of this report.

Source: Authors.

Annex B. Excerpts from relevant Article 13 and Article 6 texts

This annex includes excerpts on agreed and planned reporting and review requirements from the annex to decision 18/CMA.1 (i.e. the Modalities, Procedures and Guidelines, MPGs) and Draft guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement. All three versions of the draft Presidency texts from COP25 on guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement are considered, and any differences between the three draft texts are highlighted where relevant.

Table 5. Mandatory informational elements to be reported under Draft A6.2 guidance

Type of report	Timing of reporting	Content	Reporting vehicle / format
Initial report (§18-19 of draft A6.2 guidance)	Shall be submitted no later than the time of providing or receiving authorisation or initial first transfer of ITMOs from a cooperative approach and, where practical, in conjunction with the BTR.	Comprehensive information to: (a) Demonstrate that the participating Party fulfils the participation responsibilities referred to in chapter II (Participation) above; (b) Provide, where the participating Party has not yet submitted a biennial transparency report, the information referred to in paragraph 64 of the annex to decision 18/CMA.1; (c) Communicate the ITMO metrics and the method for corresponding adjustments for multiyear/single year NDCs that will be applied consistently throughout the period of NDC implementation; (d) Quantify the Party's mitigation information in its NDC in tCO ₂ eq, including the sectors, sources, GHGs and time periods covered by the NDC, the reference level of emissions and removals for the relevant year or period, and the target level for its NDC; or where this is not possible, provide the methodology for the quantification of the NDC in tCO ₂ eq; (e) Quantify the participating Party's NDC, or that portion of its NDC, in a non-GHG metric determined by each participating Party; (f) Provide, for each cooperative approach, a description of the approach, the expected mitigation and the participating Parties involved.	Information referred to in paragraph 18(f) shall be submitted for inclusion in the centralized accounting and reporting platform (CARP).
Annual information (§20 of draft A6.2 guidance)	Shall be reported on an annual basis	Annual information on ITMO authorization, first transfer, transfer, acquisition, holdings, cancellation, use towards NDCs, authorization of ITMOs for use towards other international mitigation purposes, voluntary cancellation, and specifying the cooperative approach, other international mitigation purposes, first transferring participating Party, using participating Party and year in which the mitigation occurred, sector and activity type,* as applicable.	Annual information shall be submitted in an agreed electronic format to the Article 6 database.
Regular information (§21 and 22 of draft A6.2 guidance)	Shall be included in the Party's BTR, which shall be submitted biannually starting in December 2024	Information in relation to its participation in cooperative approaches: (a) How it is fulfilling the participation responsibilities referred to in chapter II above (Participation); (b) Updates to the information provided in its initial report, referred to in paragraphs 18 and 19 above, and any previous biennial transparency reports; (c) Information on its authorization(s) of the first transfer and use of ITMOs towards NDCs and other international mitigation purposes including any changes to earlier authorizations, pursuant to Article 6, paragraph 3 of the Paris Agreement; (d) How corresponding adjustments undertaken in the latest reporting period, pursuant to chapter III (Corresponding adjustments) are representative of progress towards implementation and achievement of its NDC and ensure that participation in cooperative approaches does not lead to a net increase in emissions within and between NDC implementation periods; (e) How it has ensured that ITMOs acquired and used towards achievement of its NDC and those authorized mitigation outcome(s) used for other international mitigation purposes, will not be further	Regular information shall be included in the BTR

Type of report	Timing of reporting	Content	Reporting vehicle / format
		<p>transferred, cancelled or otherwise used.</p> <p>Information on how each cooperative approach in which it participates: (a) Contributes to the mitigation of greenhouse gas emissions and the implementation of its NDC; (b) Ensures environmental integrity, including that there is no net increase in global emissions, through robust, transparent governance and the quality of mitigation outcomes, including through stringent reference levels, baselines set in a conservative way and below 'business-as-usual' emission projections (including by taking into account all existing policies and addressing potential leakage) and minimizing the risk of non-permanence of mitigation and when reversals of emissions removals occur, ensuring that these are addressed in full; (c) Where a mitigation outcome is measured and transferred in tCO₂ eq, provides for the measurement of mitigation outcomes in accordance with the methodologies and metrics assessed by the IPCC and adopted by the CMA; (d) Where a mitigation outcome is measured and transferred in a non-greenhouse gas metric determined by the participating Parties, the information required by relevant future decisions of the CMA; (e) Provides for, as applicable, the measurement of mitigation co-benefits resulting from adaptation actions and/or economic diversification plans; (f) Applies any limits set out in further guidance from the CMA pursuant to chapter III.E above (Limits to the transfer and use of ITMOs); (g) Is consistent with the sustainable development objectives of the host Party, noting national prerogatives; (h) Results in a contribution to adaptation financing pursuant to chapter VII (Ambition in mitigation and adaptation actions), if applicable; (i) Contributes to overall mitigation in global emissions pursuant to chapter VII (Ambition in mitigation and adaptation actions), if applicable.**</p>	
<p>Annual Regular information report (§23 of draft A6.2 guidance)</p>	<p>Shall be included in the Party's BTR, which shall be submitted biennially starting in December 2024</p>	<p>Any updates to information submitted for previous years in the NDC implementation period: (a) Annual and cumulative emissions and removals from the sectors and greenhouse gases covered by its NDC; (b) Annual and cumulative quantity of ITMOs first transferred; (c) Annual and cumulative quantity of mitigation outcomes authorized for use, for other international mitigation purposes; (d) Annual and cumulative quantity of ITMOs used towards its NDC; (e) For the information in (b) to (d) above, the cooperative approach, sector, transferring Party, using Party and vintage of the ITMO); (f) For tCO₂ eq metrics, an annual emissions balance, as applicable, consistent with Chapter III. B (Application of corresponding adjustment); (g) For non-greenhouse gas metrics determined by participating Parties, annual corresponding adjustments, consistent with chapter III above (Corresponding adjustments) and further guidance to be adopted by the CMA; (h) Each participating Party shall, in each biennial transparency report that contains information on the end year of the NDC implementation period, include in its assessment of whether it has achieved the target(s) for its NDC pursuant to decision 18/CMA.1, paragraph 70, the application of the necessary corresponding adjustments consistent with chapter III above (Corresponding adjustments).</p>	<p>Annual information report shall be included in each BTR.</p>

Note: *According to the first version of Draft A6.2 guidance, annual information should include information on "annual information on ITMO authorization, first transfer, transfer, acquisition, holdings, cancellation, use towards NDCs, authorization of ITMOs for use towards other international mitigation purposes, voluntary cancellation, and specifying the cooperative approach, other international mitigation purposes, first transferring participating Party, using participating Party and vintage, as applicable".

** Paragraphs 22.h to 22.i are not included in the first version of A6.2 guidance.

Source: Authors based on (UNFCCC, 2019^[24]; UNFCCC, 2019^[25]; UNFCCC, 2019^[9]; UNFCCC, 2019^[8]).

Table 6. Scope, coverage and output of Article 13 and Article 6 reviews

	Article 13 - MPGs	Draft Article 6.2 guidance
Scope of the reviews	<p>MPGs define that a TER review consists of para 146):</p> <p>(a) A review of the consistency of the information submitted by the Party under Article 13.7 and 13.9, of the PA with MPGs, taking into account the flexibility accorded to the Party under Article 13.2;</p> <p>(b) Consideration of the Party's implementation and achievement of its NDC under Article 4 of the Paris Agreement;</p> <p>(c) Consideration of the Party's support provided, as relevant;</p> <p>(d) Identification of areas of improvement for the Party related to implementation of Article 13 of the Paris Agreement;</p> <p>(e) For those developing country Parties that need it in the light of their capacities, assistance in identifying capacity-building needs.</p> <p>MPGs define what should be outside the scope of the TER and what the ERT shall not do (para 149):</p> <p>(a) Make political judgments;</p> <p>(b) Review the adequacy or appropriateness of a Party's NDC under Article 4 of the Paris Agreement, of its associated description, or of the indicators to track progress and achievements of NDC;</p> <p>(c) Review the adequacy of a Party's domestic actions;</p> <p>(d) Review the adequacy of a Party's support provided;</p> <p>(e) For those developing country Parties that need flexibility in the light of their capacities, review the Party's determination to apply flexibility that has been provided for in the MPGs, including the self-determined estimated time frames, or whether a developing country Party possesses the capacity to implement that specific provision without flexibility.</p> <p>The MPGs also clarify how the review should be conducted (para 147,148), namely:</p> <p>(a) The TER shall pay particular attention to the respective national capabilities and circumstances of developing country Parties, and;</p> <p>(b) The TER will be implemented in a facilitative, non-intrusive, non-punitive manner, respectful of national sovereignty, and will avoid placing undue burden on Parties.</p>	<p>An Article 6 TER consists of review of consistency of the information submitted to chapter IV of Article 6 guidance on reporting of information (para 25).</p>
Information to be reviewed	<p>The TER under Article 13 covers the following reports and information under Article 13.7 and 9 (para 150):</p> <p>(a) A national inventory report of anthropogenic emissions by source and removals by sinks of GHGs, as referred to in paragraph 10(a) above, submitted by each Party;</p> <p>(b) Information necessary to track progress made in implementing and achieving a Party's NDC under Article 4;</p> <p>(c) Information on financial, technology development and transfer and capacity building support provided to developing country Parties under Articles 9, 10 and 11 of the Paris Agreement. Information submitted by other Parties that provide support, as referred to in Article 9, paragraph 2, of the Paris Agreement, may undergo a technical expert review of this reported information at the Party's discretion.</p>	<p>An Article 6 TER team shall review information submitted pursuant to chapter IV of Article 6 guidance on reporting of information in accordance with modalities, procedures and guidelines adopted by the CM (para 26).</p>
Output	<p>An output from the review under Article 13 is a report containing results from the technical expert review in accordance with the scope of review (para 187).</p> <p>The draft review report and final report shall be prepared under the collective responsibility of the ERT (para 162 (e) and (g)).</p> <p>The TER report may contain recommendations regarding the mandatory ("shall") requirements and encouragements regarding non-mandatory (should) requirements for reporting under Article 13.</p>	<p>The Article 6 TER team should prepare a report on its review that may include recommendations to the participating Party on how to improve consistency with Article 6 guidance and relevant CMA decisions CMA, including on how to address inconsistencies in quantified information (para 27).</p>
Role of the secretariat	<p>The secretariat has a clear role in the GHG inventory reviews by undertaking an initial assessment of completeness and consistency with the MPGs, consistent with the initial assessment procedures (para 155 and 163). Such procedures are yet to be developed by the lead reviewers with the assistance of the secretariat.</p> <p>A review of the findings of this initial assessment will form part of the consequent TER of the Party's national inventory report as part of the BTR review (para 155). When the initial assessment is part of simplified reviews of the national GHG inventory that occur</p>	<p>The secretariat shall check the consistency of information reported by a participating Party pursuant to the reporting requirements and notify the Party any inconsistencies.</p> <p>It shall also provide information relevant to the Party's cooperative approach(es) to the Article 6 TER in</p>

	biennially, every second year when BTR is not due, then the initial assessment by the secretariat will become final after comments by a Party are taken into account and published as final assessment (para 163).	accordance with Article 6 MPGs (para 28).
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Source: Authors based on (UNFCCC, 2019^[24]; UNFCCC, 2019^[25]; UNFCCC, 2019^[9]; UNFCCC, 2019^[8]).

Annex C. UNFCCC experiences with reviews of reported information by Parties

This annex complements section 4. of this paper by providing a technical and detailed description of a selection of experiences with reviews of reported information by Parties under the UNFCCC. Insights and lessons from these experiences can usefully inform current and future work on A6.2 reporting and review guidance.

Technical assessment of REDD+ results that are being organised in conjunction with the technical analysis of BUR

COP19 agreed that for countries who have engaged in REDD+ activities, a technical assessment of the results of these activities is carried out in conjunction with the technical analysis of the BUR. There are explicit provisions included on what information is to be provided and where, who is to review it, and what the outcome of the review is to be. Per the [Warsaw Framework on REDD+](#),⁴⁰ the following reporting and review activities are envisaged regarding REDD+ results:

- Data and information on REDD+ results should be provided through a technical annex to the BURs, with the understanding that the submission of the technical annex is voluntary and in the context of results-based payments;
- Two additional LULUCF experts should be included in the technical team of experts (TTE) for the international consultation and analysis to conduct technical analysis of information on results-based actions reported in a technical annex to the BURs;
- The technical report developed by these LULUCF experts under their collective responsibility should contain the technical annex with the submitted REDD+ information, analysis of this information, areas for technical improvement, and any comments and/or responses by the Party concerned, including areas for further improvement and capacity-building need;
- The results-based actions that may be eligible to appropriate market-based approaches that the COP could develop may also become subject to any further specific modalities for verification.

Following decision 2/CP.17, the mandates for the technical analysis of the BUR by the TTE, to which the two additional LULUCF experts are part, is consistent and yet different from that of the LULUCF experts

⁴⁰ COP19, held in November 2013 in Warsaw, Poland, adopted 7 decisions of the Warsaw Framework for REDD+, namely decision 9/CP.19, 10/CP.19, 11/CP.19, 12/CP.19, 13/CP.19, 14/CP.19 and 15/CP.19. These decisions provided clarity on a number of important issues related to REDD+ implementation. The most relevant for the review process is decision 14/CP.19. For more information see [Warsaw Framework for REDD+ - REDD+ \(unfccc.int\)](http://unfccc.int/Warsaw-Framework-for-REDD+-REDD+)

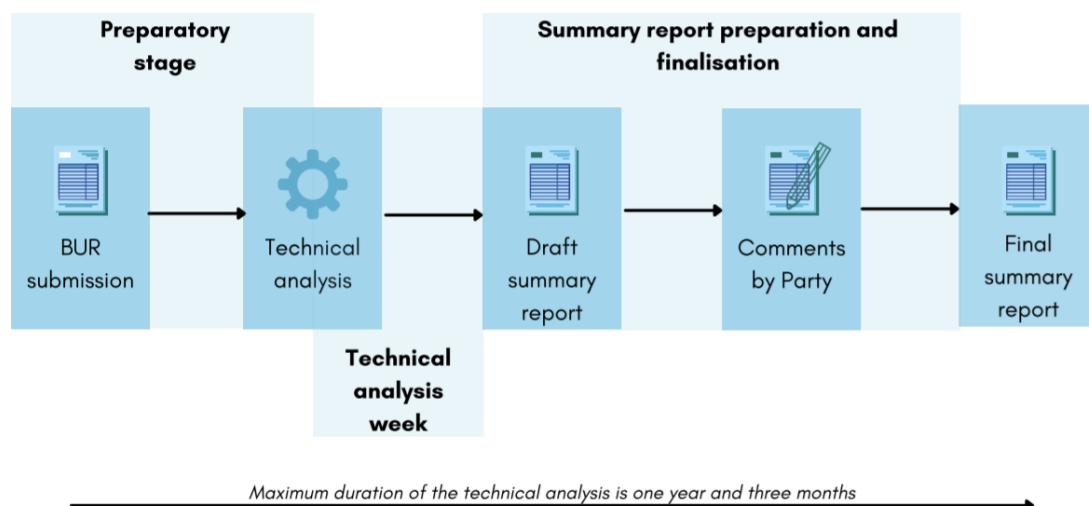
that are in charge solely of the review of the annex of the BUR with REDD+ results (UNFCCC, 2012^[37]). The mandate for the technical analysis of BUR includes the following:

- Identifying the extent to which the necessary information required by the Cancun MRV framework (Annex III to decision 2/CP.17) is reported in the BUR;
- Undertaking a technical analysis of information contained in the BUR; and
- Identifying, in consultation with the Party concerned, capacity-building needs to facilitate: (i) reporting following annex III to decision 2/CP.17; and (ii) participation in the **international consultation and analysis (ICA) process**.

Usually, the two LULUCF experts are selected from the same UNFCCC roster from which the other technical experts of the TTE are selected. The LULUCF experts have to pass the exams for the GHG inventory review of LULUCF information. As the two additional LULUCF experts form a part of the TTE, and as the technical analysis of the BUR and its annex with REDD+ information happens during the same week, all TTE experts participate jointly in calls with the submitting Party and engage in joint discussions. Both the LULUCF experts and the rest of the TTE follow broadly the same timeline defined by decision 2/CP.17, and work in parallel. Yet, they work largely independently and produce two separate reports. For example, they do not share the draft reports with findings and do not comment on them.

The results of this process are published in two separate reports under the respective responsibility of the TTE and the two additional LULUCF experts, and no links exist between the two reports in terms of substantive information presented. One report contains a technical analysis of the BUR, and the other includes an analysis of the technical annex to the BUR with REDD+ results. The technical analysis of both the BUR and its annex with REDD+ information must be completed within a year and three months from the BUR submission date. There is no requirement as to which report has to be published first. In practice, in many cases, the LULUCF experts' report on the REDD+ results has been published before the TTE report on the respective BUR, one reason being application by some developing countries for REDD+ result-based payment for which such reports is necessary.

Figure 11. Timeline of the preparation of technical analysis report of the BURs submitted by developing country Parties that may contain an annex with REDD+ results



Source: Authors, based on <https://unfccc.int/process-and-meetings/transparency-and-reporting/reporting-and-review-under-the-convention/national-communications-and-biennial-update-reports-non-annex-i-parties/technical-analysis-of-burs>.

Technical assessment of assigned amount information and the GHG inventory under the Article 8 review under the Kyoto Protocol

Article 8 of the Kyoto Protocol mandates the expert review teams (ERTs) to conduct a technical review of the information that is submitted under Article 7 of the Kyoto Protocol⁴¹. Information under Article 7 comprises of:

- Annual reports containing a GHG inventory and assigned amount information comprising of Party's holdings and transactions of Kyoto units that are reported in a standard electronic format (SEF);
- Periodic reports comprising of the national communications and supplementary information necessary to demonstrate compliance with the commitments under the Protocol;
- One-off reports, namely:
 - The initial reports before the start of a commitment period to demonstrate that a Party has in place the infrastructure and other requirements to account for its emissions and assigned amounts, and
 - The true-up period reports after the commitment period elapses to demonstrate that it has achieved its emission reduction targets.

Article 8 review comprises a review of GHG inventory and a Party's holdings and transactions of Kyoto units reported in a SEF. This review is conducted by the ERT and comprises two main steps. At the first step, a standard independent assessment report (SIAR) is prepared by an assessor and a reviewer based on the information on each Party's holdings and transactions of Kyoto units in the SEF submitted annually by 15 April. The SIAR contains a technical assessment of a Party's reported information in the SEF, which looks at completeness and consistency of the information reported by the Party with the information maintained by the [International Transaction Log \(ITL\)](#). The SIAR may contain information on actions to be taken by the ERT and concrete recommendations to the Party. Initially, the assessment reports were prepared by registry experts under the Registry System Administration forum's guidance using some degree of automatic checks. In recent years, the consistency checks between the SEF tables and the ITL data are mostly automated through a reporting tool implemented by the secretariat.

At the second step, there is the review of the TACCC of the GHG inventory that is submitted by 15 April each year. Such a review takes place over a week, usually scheduled in September of the same year. The review of total GHG emissions from sources covered in Annex A of the Kyoto Protocol and any outcome from the review of LULUCF activities is recorded for compliance purposes in the Compilation and Accounting Database (CAD). During the review week, the ERT usually takes note of the SIAR to check whether any issues with completeness and consistency were raised. The ERT may reiterate recommendations from the SIAR⁴² unless these recommendations lead to a question of implementation. This completes the review of the Party's holdings and transactions of Kyoto units reported in the SEF. After any query of implementation is resolved, additions to and subtractions from the Party's assigned amount are recorded for compliance purposes in the CAD.

If the SIAR identifies any inconsistencies between the annually submitted SEF and the content of the ITL, the report would contain information on the nature of such inconsistencies, e.g. discrepancy types,

⁴¹ All references to Articles under this heading relate to articles under the Kyoto Protocol.

⁴² See the annual review report of Austria as an example of such recommendations: [Austria. Report of the individual review of the annual submission of Austria submitted in 2013. | UNFCCC](#)

transaction types, dates and units involved. The ERT may raise, during the review week, any potential issues. If these are not resolved, it can formulate a question of implementation on accounting for Party's assigned amount with a particular transaction. The ERT can also recommend that the enforcement branch of the Compliance Committee applies any correction to the Party's assigned amount with a view to recording such correction in the CAD.⁴³ Only when the inconsistency identified and the related question of implementation is resolved, the correction would be removed from the database.

Regarding the timeline of the two review processes, both are initiated with the annual submission of the respective reports and should conclude within one year. Usually, the SIAR is prepared well in advance of the ERT's GHG inventory review week. If the independent assessor identifies unresolved problems with accounting and reflects them in the SIAR, then the ERT follows the same steps and timeline for addressing such problems, including formulating a question of implementation, if applicable, relating to GHG inventory review.

The annual submission review comprising the GHG inventory and the SEF is conducted in sequence by the same ERT with the same mandate using the SIAR as input. The final results are reflected in a single report that is then forwarded to the Compliance Committee. The SIAR, prepared by the independent assessor, is used as technical input for the ERT review. Yet, it is not a formal and stand-alone output from the review. The global timeline for completing both the review of GHG inventory and the SEF is one year from the due date of the annual submission and applies to both processes.

Technical review of the information reported under the Convention related to NIRs, BRs, and NCs by Annex I Parties

The most recent guidelines for the review of information submitted by Annex I Parties in NIRs, BRs, and NCs are included in decision 13/CP.20. The most relevant for consideration of Article 13 and Article 6 review under the Paris Agreement is the review of GHG inventories and BRs and this is why it is helpful to explore the objectives, approach, procedure and role of the review experts. Both the GHG inventory reviews and the BRs share the same objective, general approach and procedure, provisions for expert review teams and institutional arrangements, and reporting and publication. Yet, each review has its specific purpose and mandate, general procedure, scope of the review, timing and reporting. Even though the review experts come from the same UNFCCC roster of technical experts, they need expertise in different areas, e.g., on GHG inventories for NIR reviews and on policies and measures, projections, and financial, technological and capacity-building support for BR review.

Both reviews follow slightly different and partly overlapping timelines and result in two separate reports. For GHG inventories, reviews are triggered by the annual NIR submission, due by 15 April. After a preparatory stage, actual reviews are usually scheduled each year in September. The review process results in the preparation of a draft review report, which is reviewed and commented by a Party before being published. Altogether this takes around 10 months from the date of submission, including the preparation of the report, which takes up to 5 months. BR reviews are also triggered by their respective submissions (due by 1 January of each biennium). In contrast to the GHG inventory process, the BR reviews are usually spread over the first year of the biennium. The timeline is also different, with each review having to conclude within 15 months from the respective submission due date.

From the reporting perspective, there are some overlaps between the annual GHG inventory submission and the BRs, namely one BR chapter contains information on GHG emissions and trends. The review

⁴³ For further details see Decision 22/CMP.1, annex, paragraph 93 (a) and Decision 14/CMP.1, paragraph 3

guidelines included in decision 13/CP.20 take into account this overlapping information and reflect this in two instances of the mandate for the technical review, namely:

- The ERT should examine the consistency of the BR with the annual GHG inventory and NC but it will not conduct an in-depth examination of the inventory itself, and;
- The ERT should undertake a detailed technical examination of only those parts of the BR that are not included in the annual GHG inventory review.

Thus, while summary information in the BRs on e.g. GHG emissions and trends helps to set the context for review of other issues that are reported therewith, this summary information does not fall within the scope of the BR reviews. This is because the underlying data and information are subject to GHG inventory review that is conducted by another ERT.

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