
Submission by Bhutan on behalf of Least Developed Countries Group on Reporting and Review Cycle under Article 6.2 guidance, 30 September 2021

The LDCs welcome the opportunity to share our views in response to the invitation extended by the Chair of the SBSTA, relating to **Reporting and Review Cycle under Article 6.2 guidance** and to the guiding questions presented as follows:

Additional procedures are identified as *Suggested Additional Text*.

Guiding questions:

1. What further dates and details are needed in the 6.2 decision to ensure sequencing is clear?

There are a number of reporting requirements that relate to NDCs, the Enhanced Transparency Framework and reporting under Article 6.2. These include:

Each of these reports are closely interlinked and need to follow a logical sequence.

- Initial Report (IR)
- National Inventory Report (NIR)
- Annual Information Report (AIR)
- Biennial Transparency Report (BTR)
- Structured Summary (SS)

To participate in Cooperative Approaches that involve the use of ITMOs each Party needs to show that it has fulfilled a number of tasks. This includes the preparation of **national inventory report** (NIR) (para 4c of V3 of Presidents text- (hereafter referred to as V3)). Therefore, the presentation of a NIR should be the first element required as a Party needs to provide the NIR.

The provision of the NIR should be done in conjunction with the **Initial Report** (IR) (para 18a of V3). This information should be submitted to the **Centralised Accounting and Reporting Platform** (CARP). (Para 35 of V3).

The information provided in the IR and hence NIR should be reviewed by the **Article 6 technical expert review** (A6TER). The A6TER is then required to forward its reports to the **Technical Expert Review** (TER) under the Enhanced Transparency Framework.

Suggested Additional Text: The timing of the review process by the A6TER for the IR and NIR needs to be defined in V3. This needs to be done to ensure that participation requirements are properly met before a Party can engage in a cooperative approach. This should be timed to occur before a Party submits a BTR.

After submitting an IR and NIR a Party is required to submit an **Annual Information Report** (AIR). (Para 20 of V3) to the Art 6 Database. The information to be provided is stipulated in Para 20 of V3.

Suggested Additional Text: Further clarity on the information to be provided would be useful. In particular it would be useful for an identification of the entities which receive authorised ITMOs for other international mitigation purposes (see further elaboration below).

Biennial Transparency Report: V3 para 21 and 22 provide the information required to be included in BTR. It refers to the participation requirements but this should not preclude the need to provide earlier information in the IR on participation. This is inferred in para 21(b) of V3 which refers to updates to the information provided in the IR.

Structured Summary: The requirement to provide information relating to cooperative approaches in the structured summary is found in 18/CMA.1 para 77(d). There is no reference to structured summaries in V3. 4/CMA.1 para 17 requires that Parties account for their NDCs in their BTR, “including through a structured summary”.

Suggested Additional Text: It would be useful to add a cross-reference to the structured summary in the reference to BTRs in V3 para 22.

2. By when do reporting formats and tables and review guidance need to be ready?

The reporting formats for IR, NIRs and AIRs need to be completed at COP 26. This is to ensure that Parties are able to meet the participation requirements.

It would be preferable to have the BTR tables and structured summary tables completed at COP 26.

Within all of the reporting requirements listed above, the LDCs note the need for special consideration of LDCs and SIDS. We note that further elaboration of the special circumstances LDCs and SIDS is provided for in the Draft Decision V3, para 2a. The elaboration of this special consideration should be undertaken expeditiously and concluded by COP 27 (timing needs to be fixed in Draft Decision) so that LDCs and SIDS are able to avail themselves of cooperative approaches without undue delay.

3. What is the relationship with the ETF, including the structured summary, and how should the 6.2 decision reflect this?

This information is provided in the answer to Question 1.

4. How do these issues relate to the rest of the package (Article 6/the wider Glasgow outcome) and how could resolving these issues contribute to reaching consensus?

There are some additional issues within the V3 text that need further elaboration under the following themes:

- Share of Proceeds
- Overall Mitigation in Global Emissions:
- Other International Mitigation Purposes
- Non-Confidential information

Share of Proceeds: The information required for AIR in para 23 of V3 omits the inclusion of information relating to Share of Proceeds. This was present in Version 3 of 9 December text, para 29 (i). This should be reinstated.

Overall Mitigation in Global Emissions: The information required for AIR in para 23 of V3 omits the inclusion of information relating to Overall Mitigation in Global Emissions. This was present in Version 3 of 9 December text, para 29 (j). This should be reinstated.

Other International Mitigation Purposes: There are some inconsistencies in relation to this concept of Other International Mitigation Purposes (OIMP) with respect to 18/CMA.1 para 77d and V3 para 1(f) and V3 para 16.

Suggested Additional Text: Textual inconsistencies relating to OIMP need to be resolved.

With respect reporting of OIMP and the provision of regular information V3 para 23 (c) it would be relevant to include information on the using entity or entities

Suggested Additional Text: Add text referring to using entity or entities in V3 para 23 (c) and in V3 para 23 (e).

OIMP Gap in Accounting System: The requirement to apply a corresponding adjustment with respect to OIMP only applies to authorized mitigation outcomes. It is likely that there would be considerable trade in OIMP within a Party's NDC that is not authorised by a Party. This leaves a significant gap in the accounting system and a significant potential for double counting without a corresponding adjustment. This needs to be resolved.

Suggested Additional Text: Resolve accounting anomaly for non-authorised OIMP within an NDC and ensure that a corresponding adjustment is required.

Non-Confidential Information: It would be useful to include a definition of "non-confidential information" in V3 para 24, or in the definition section in para 2.

Suggested Additional Text: Add textual definition of non-confidential information