

**SUBMISSION BY COLOMBIA ON BEHALF OF THE AILAC GROUP OF COUNTRIES - CHILE,
COLOMBIA, COSTA RICA, HONDURAS, GUATEMALA, PANAMA, PARAGUAY AND PERU**
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**Views on several aspects of the guidance for cooperative approaches under the
Article 6, paragraph 2 of the Paris Agreement**

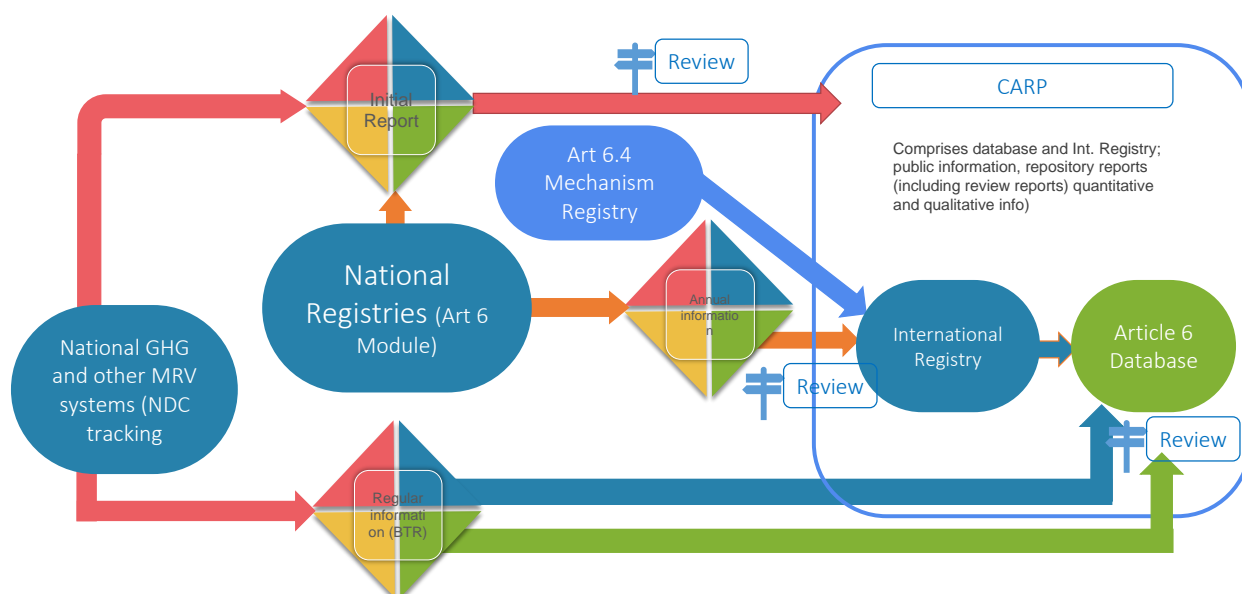
Introductory Remarks

1. Following the invitation by the SBSTA 56, AILAC welcomes the opportunity to provide views on several aspects of the guidance for cooperative approaches under the Article 6, paragraph 2 of the Paris Agreement, in particular:
 - a. Recommendations for guidelines for the reviews referred to in paragraph 7 of decision 2/CMA.3 and pursuant to chapter V (Review) of the annex to the same decision, including in relation to the Article 6 technical expert review team, in a manner that minimizes the burden on Parties and the Secretariat;
 - b. Options for the tables and outlines that are simple and user-friendly while providing for Parties to report information required pursuant to chapter IV (Reporting) of the annex to decision 2/CMA.3 and in accordance with chapter III (Corresponding adjustments) of the annex to the same decision;
 - c. Recommendations relating to infrastructure, including guidance for registries, the international registry, the Article 6 database and the centralized accounting and reporting platform referred to in chapter VI (Recording and tracking) of the annex to decision 2/CMA.3;
 - d. The connection between the registry for the mechanism established by Article 6, paragraph 4, of the Paris Agreement and the international registry.
2. Although one of the mandates from Decision 2/CMA.3 is to develop tabular formats and outlines for reports, some outstanding issues deserve discussion in order to ensure appropriate implementation of the Article 6 reporting, recording, accounting and review cycle and, consequently, of cooperative approaches. Additionally, the discussions on reporting and the infrastructure for Article 6 should not continue to take place in isolation. Instead, Parties' deliberations must consider how the infrastructure components must be designed and interconnected in such a way as to facilitate all reporting stages and fulfil the purposes outlined in decision 2/CMA.3.
3. Consequently, AILAC also presents its views on how the reports or information to be delivered during the Article 6 cycle is related to each component of the infrastructure, as well as to the Article 6 technical expert review process.
4. In addition, AILAC would like to delve into the purpose and functionalities of the Article 6 infrastructure and its respective components beyond what is established in the guidelines of Article 6.2 already adopted. The group also highlights the need for understanding and ensuring the proper interconnection between the elements of the Article 6 infrastructure, having as a framework the Centralized Reporting and Accounting Platform (CARP).

5. It must also be ensured that all the elements and components of the reporting, accounting record and review cycle of Article 6 are consistent with the transparency framework.

Reporting, recording, accounting and review cycle

6. The Article 6 reporting, recording, accounting, and review cycle comprises all the steps that the Parties must take from the moment they decide to engage in a cooperative approach until the implementation of such approaches, moment in which an appropriate tracking must be undertaken in order to understand how those approaches contribute to the achievement of the NDCs (and other international purposes). During this cycle, the parties must submit a series of reports, and make an effective use of the infrastructure in accordance with the provisions of decision 2/CMA.3. It is therefore necessary not only to ensure an adequate sequence and consistency between the stages of the cycle, but also how each reporting stage relates to the review processes and the main elements of the Article 6 infrastructure.



7. For AILAC it is crucial not only to delve into the purpose of each of the infrastructure elements but also how these components can facilitate the reporting of the Parties, having the CARP as an umbrella for the whole system.

INFRASTRUCTURE OVERVIEW

8. For AILAC, the Article 6 infrastructure should serve as a system that supports Parties to fulfil Article 6 guiding principles as well as the tracking of how the Article 6 implementation contributes to achieving Parties' NDCs and the Paris Agreement's long-term goals.
9. To this aim, AILAC considers that the Article 6 infrastructure must be based on a unified system created to **1) facilitate reporting and accessing of information submitted by Parties (for purposes such as technical review under articles 6 and 13 and global stocktake), and 2) to ensure consistency among all information fluxes related to the implementation of carbon markets instruments.**
10. This unified system must have the centralized accounting and reporting platform (CARP) as a core component, which could handle different modules and layers, depending on the functionalities

required by each stage of the reporting, recording, accounting and review cycle. The unified system also must ensure that the tracking of the information is secured and the possibility to set a privacy mode for information regarded as reserved.

11. The AILAC's view on the main functions of the Article 6 infrastructure components and how they should be linked to each other is explained below.

Centralized Accounting and reporting platform

12. The Centralized accounting and reporting platform is the core system of Article 6 Infrastructure, and it is where the Article 6 reporting should be centralized. The CARP will also be the repository of reports such as the initial reports, the annual information, the Annex of the BTR and the structured summary and the review reports.
13. The CARP may comprise subsystems such as a) the accounting module (which would work within the article 6 database), b) a module or interface where country reports can be made public, and c) the international system of registries.
14. In addition, an account for each one of the Parties participating in Article 6 should be created on this platform and, through this account, the initial information, the annual information (using the international registry as input) and the regular information could be reported automatically and electronically.
15. Likewise, there can be a link between information of cooperative approaches and each Party's account, in order to prevent inconsistencies in the information reported and facilitate the review process. In addition, with the automated report it can be ensured logical sequence occurs of each of the stages of the cycle.
16. It should also be ensured that there is a link between CARP and the reporting tools of the Enhanced transparency framework to be created.

International system of registries

17. The international system of registries is the entry of the annual information to the CARP and its main purpose is to track and ensure traceability of every stage of the life cycle of ITMOS. This system comprises a) the international registry, b) national registries and c) Art 6.4 mechanism registry.
18. Main functions/objectives of international system of registries could be:
 - Carry out appropriate tracking of ITMOS to guarantee traceability, even if the ITMOS are used for other international mitigation purposes or come from the article 6.4 mechanism.
 - Avoid any type of double counting. Double issuance, double claiming, double registration, among others.
 - Ensure reliability of ITMOS and their integrity throughout their life cycle, especially in their issuance and use towards achievement of the NDCs and other international mitigation purposes.
 - Facilitate the reporting and transfer of information to the article 6 database (as the accounting module of the CARP), where also the corresponding adjustments would be reported or calculated/estimated (considering that calculation of corresponding adjustments could be one of the functionalities of the CARP).
 - Being user friendly.
 - Functioning on compliance with the TACCC principles (Transparency, Accuracy, Consistency, Completeness, Comparability).
 - Contribute to continuous improvement of the information reported.

- Facilitate intercommunication between different national registries, if it would be the case.
- 19.** This international system of registries should be flexible in terms of what are the best option for Parties regarding tracking or reporting of ITMOS as units or accounting amounts:
- In case Parties have or plan to have national registries that issue and track ITMOS (having the possibility to have the arrangements for the issuance or acquisition of ITMOS from other registries such as registries of international carbon standards).
 - In case Parties that choose to have a “reporting registry” that just mirrors the information of real transactions that occurs in other international registries in order to track and report transfers and uses of ITMOS towards the achievement of NDCs or other international mitigation purposes.
 - In case Parties prefer to have accounts in the international registry.
- 20.** In addition, the international system of registries could facilitate the interconnection between Parties involved in the same cooperative approach if they decided to do so. If Parties decide the contrary, Parties must undertake the due conciliations in order to reflect transfers of ITMOS from one Party to another.
- 21.** Ideally, even if national registries are not interconnected, national registries should be connected to the centralized registry that compiles all information regarding life cycle of ITMOS from its issuance to their use or cancellation. To this aim, national registries could have a module that is based on standardized criteria of intercommunication that allows an appropriate connection to the international registry and the Article 6 database. In addition, to ensure traceability of ITMOS, a common methodology to generate unique identifiers, considering its main attributes, associated to an ITMO could be designed. National registries could also track authorizations and will provide the due information on those authorizations to the Article 6 database.
- 22.** Finally, the registry of Article 6.4 mechanism should be part of the international system of registries or be embedded in the international registry to facilitate the flow of information on the mitigation outcomes of 6.4 (when transferred internationally) towards the international registry and finally towards the article 6 database. This interconnection not only seeks to ensure transparency but also facilitates the compilation of the information that will be used to track progress of the NDCs.

Article 6 database

- 23.** The Article 6 database is the accounting “module” of the CARP. It is where the annual information on the use of market mechanisms under article 6 by Parties is consigned. It is the space in which the corresponding adjustments must also be recorded and, therefore, will provide important information to monitor the achievement of the NDCs.
- 24.** Another functionality that could have the Article 6 database is the calculation of corresponding adjustments by having pre-established calculations depending on the corresponding adjustment methodology used.

ARTICLE 6 TECHNICAL EXPERT REVIEW PROCESS – AN OVERVIEW

- 25.** The Article 6 technical expert review (hereinafter the Art 6 TER) was conceived to oversee the Cooperative Approaches implementation. Therefore, the Art 6 TER must be designed to promote

not only continuous improvement and transparency in reporting but also fulfilment of the principles such as environmental integrity and avoidance of double counting while implementing cooperative approaches. The process should also help Parties better understand how Article 6 implementation contributes to their medium- and long-term goals and does not lead to an increase in global emissions.

26. Moreover, it will be challenging to design a single Article 6 review process that fits the different objectives and purposes that the Parties' reports have. In consequence, a review process should be designed for each of the main reporting stages: initial, annual and regular information. In this line, elements such as the composition of the Art 6 TER team, the format of the review and the outcome of the review process should be different for each reporting stage (see below in the reporting section for some suggestions on how the review process should take place depending on a given report). Additionally, in some cases the Art 6 TER may recommend the Party to make immediate adjustments, especially when numerical inconsistencies are identified. In contrast, in the case of the review of qualitative information included in the BTR, expert reviewers could provide recommendations that could be addressed in the next BTR. In the case of the consistency assessment of quantitative information, the Art 6 TER team could not only focus its review on the assessment of completeness and transparency of the information, but also on how the report is fulfilling the TACCC principles.
27. It is also crucial to ensure coordination, a fluent communication and a proper sequencing between Art 6 review and Art 13 review processes. For example, in order to conduct an appropriate review of the Article 6 information included in the BTR, it is crucial that the Art 13 TER receive reports of the review of initial and annual information as an input for the review process under article 13.
28. It also must be defined whether it will be necessary to link the article 6 review process with the operation of the article 15 committee. This will depend on the type of inconsistencies found and the response of the Parties subject to review.
29. Regarding the training of the Art 6 technical expert reviewers, a module for the review of article 6 information should be included in the training programme of review experts that was adopted for the transparency framework.

MAIN STAGES OF THE REPORT CYCLE AND LINKAGES WITH THE TECHNICAL EXPERT REVIEW AND ELEMENTS OF THE ARTICLE 6 INFRASTRUCTURE

(a) Initial report

30. **Purpose:** the initial report is crucial to ensure that Parties involved in a cooperative approach (including the Article 6.4 mechanism) demonstrate that they are fulfilling the main guiding principles and participating responsibilities and, therefore, are ready to start the implementation of a cooperative approach.

Since AILAC proposes to report information of the initial report directly to the CARP, a tabular format should be designed to visualize the spaces needed for the electronic report. In addition, a tabular format must also be designed for the initial report of the article 6.4 mechanism, given that this mechanism is a cooperative approach and Host Parties should demonstrate that they are prepared

to start the implementation of the article 6.4 mechanism.

- 31. Timing and frequency:** An updated initial report must be submitted each time the Party is about to start its participation in a new cooperative approach, in accordance to paragraph 19 of the Annex of Decision 3/CMA.3 and *“no later than authorization of ITMOs from a cooperative approach or where practical (in the view of the participating Party) in conjunction with the next biennial transparency report due pursuant to decision 18/CMA.1”*¹.

- 32. Information and possible overlaps with other reports:** Given that the Party must submit an updated initial report each time it engages in a new cooperative approach (according to paragraph 19 of the Article 6.2 guidance), it is crucial to avoid duplication between the information reported in the CARP and the BTR. Consequently, Parties must be allowed to reference in the BTR the information submitted in the CARP without reporting it again in the BTR.

Another possible identified overlap is related to the information required by paragraphs 18 (initial report) and paragraph 22 (regular report) of the Article 6.2 guidance (annex to decision 2/CMA.3). Although most of the elements included in reporting guidance under paragraph 18 and paragraph 22 are similar, paragraph 18 is about ex-ante information while paragraph 22 is about ex-post information derived from the implementation of cooperative approaches. However, to avoid reporting overburden and possible overlaps, Parties could reference to information from the initial report (or other documents) when reporting ex-post information of a cooperative approach in the technical annex of the BTR (as part of regular information).

Once cooperative approaches are under implementation, the information contained in an initial report must be updated in the annex to the corresponding BTR.

Regarding initial report on Article 6.4 mechanism, Parties should report on participation responsibilities defined in paragraphs 26 and 27 of the RMP of the Article 6.4. Although the Article 6.4 is a centralized mechanism (and members of the supervisory body are the ones who exercise its oversight), a formal process has not yet been established to review if a Party complies with the participation responsibilities prior to its participation in the mechanism, as specified in paragraph 26 of the annex of Decision 3/CMA.3. In this line, the presentation of a specific initial report for the Article 6.4 mechanism would help to understand better and in a more transparent way how the Parties are prepared for the implementation of said mechanism.

- 33. Where and how should be submitted (i.e., vehicle to be used)?** The initial report should be electronically reported using a Party’s account into the CARP.

- 34. How the information should be reviewed?** A single review session should be organized for all Parties involved in the same cooperative approach. This session should take place in a week, and since it is not a process that consists of the review of a large amount of information or very complex information, it should always be organized as a desk review. Both the consistency of individual reports against the guidelines of article 6.2 and the consistency between Parties should be reviewed, especially in the case of specific information requirements related to the cooperative approach.

In most cases, the results of the review processes under the Convention provide recommendations to improve subsequent reports submitted by the Parties. However, since it is the review of the initial report, adjustments should be requested at the time an inconsistency is identified, provided that process of preliminary questions and communication with the Parties has been completed before or during the review week. The review report should be stored in the CARP and be publicly available.

¹ Paragraph 18 of the Annex of Decision 2/CMA.3

As AILAC proposes is an automated report, the annual information report will only be possible if the review process of the initial report has been completed.

35. Further details or clarifications needed respecting art 6.2 adopted guidance

With the aim to avoid double interpretations of the text, it is important to consider that the ITMOS authorization referred to in the chapeau of paragraph 18 of the annex of decision 2/CMA.3 is different from the one referred to in paragraph 18, item g), since the latter is more related to the authorization/approval or any type of document that demonstrates that the Party confirms their participation in a specific cooperative approach.

On the other hand, Parties are asked to report on how they will apply any safeguards and limits to the transfer and use of ITMOs that might be set out in a further guidance from the CMA. It is therefore necessary to evaluate if a prompt decision on safeguards and limits must be adopted in order to enhance the ways to protect environmental integrity during the implementation of cooperative approaches.

(b) Annual information

36. Purpose: Annual information is needed to ensure transparency on Parties' quantitative information on its participation on cooperative approaches, including the one from the article 6.4 mechanism. Annual information report must reflect every change on the status of ITMOS during this whole "life cycle", bearing in mind that the ultimate objective of gathering this information is understanding how Parties are using ITMOS towards the achievement of the NDCs and other international purposes.

37. Timing, frequency and vehicle: Frequency and specific timing for reporting of annual information is clearly specified in paragraph 20 of the Annex of the Decision 2/CMA.3. The information must be entered into the CARP "accounting module" (the Article 6 database) using the international system of registries.

38. Information, linkages and possible overlaps with other reports: Information elements to be electronically reported on an annual basis are described in paragraphs 20 and 21 of the annex of Decision 2/CMA.3. Most of these elements are also required in paragraph 23, but in this case, the annual information is supposed to be reported biennially (through the Structured Summary included in the BTR). It is then expected that annual information serves as an input for the structured summary used to track progress made in implementing and achieving NDCs.

39. Where and how should be submitted (i.e. vehicle to be used)? Paragraph 20 of the Annex of Decision 2/CMA.3 states that Parties shall submit annual information for recording in the Article 6 database. In accordance with the same paragraph, submission of the annual information must be delivered in an agreed electronic format. Since AILAC proposes to make an automated-electronic report of all information related to the Article 6 market instruments, the recording of the annual information must be made through a direct connection between a module for each Party's registry of the international system of registries with the Article 6 database, which could be the "accounting module" of the CARP.

40. How the information should be reviewed? Paragraph 33 a) of the Annex of Decision 2/CMA.3 establish that the Secretariat shall *"Check the consistency of information reported by a participating Party pursuant to chapter IV above (Reporting) for recording in the Article 6 database with the requirements of this guidance and across the participating Parties in a cooperative approach (consistency check);"*

41. Given the quantitative nature of the annual information, it must be considered whether the consistency check undertaken by the Secretariat should be complemented by a review conducted by an Article 6 technical expert or not. In any case, once any kind of inconsistencies are identified, the Party must be notified on it and make the necessary amendments to the information recorded in the Article 6 database.

42. Further details or clarifications needed respecting art 6.2 adopted guidance

Based on the review of the elements included in paragraph 20 of the annex to decision 2/CMA.3, AILAC considers that the following clarifications should be made, or the following concepts should be further elaborated on:

Holdings: Although it is understood that these are the ITMOS that a Party maintains “on hold” because they are not yet used or sold, it is necessary to clarify how these should be calculated and if these holdings are different from the ITMOS acquired, in the case in which the acquired ITMOS do not change their status.

Authorizations and trigger of corresponding adjustments:

What types of authorization should be given and at what level?

As mentioned above, in different parts of Article 6.2 guidance, the term authorization is mentioned. The authorization referred to in the chapeau of paragraph 18 is the authorization that the Party gives before the transfer of ITMOS in the framework of a cooperative approach. On the other hand, the authorization referred to in paragraph 18 g) is more related to the authorization/approval or any document that demonstrates that the Party confirms their participation in a specific cooperative approach.

Moreover, the authorization and the moment in which the authorization is given are directly related to the definition of the first transfer established in paragraph 2 of the annex to Decision 2/CMA.3.

In paragraph 2 a), for example, it mentions that the first transfer is the first international transfer of the mitigation outcomes AUTHORIZED for use towards the achievement of the NDCs. In contrast, paragraph 2 b) leaves it up to the Parties whether, for other international mitigation purposes, a) the authorization, b) issuance or c) use or cancellation of the mitigation outcomes becomes the first transfer.

This implies that in the case of ITMOS that are used for other international mitigation purposes, the authorization is given at different moments in time according to the choice of the Party. Ideally, the authorization should be given after the mitigation outcomes have been issued and before their use or cancellation.

Additionally, the authorization of ITMOs that could be given within the framework of cooperative approaches implemented through bilateral or multilateral agreements could be given at different times and in a different manner than the one provided for mitigation outcomes from the Article 6.4 mechanism that are internationally transferred.

What should an authorization contain? What information should support an authorization? What is behind an authorization?

In order to give the authorization of an ITMO, each of the stages of the cycle of the activity that generates the ITMO should have been successfully completed, whether the activity is implemented within the framework of a bilateral or multilateral agreement or that it comes from the mechanism of article 6.4.

It should also contain, at a minimum:

- Information on the origin (activity, sector, methodology used to calculate the baseline, etc.) and the information on the use if it is certain about this;
- Name and summary of the cooperative approach under which the ITMO is transferred.
- In the case of other international mitigation purposes, the Party shall inform the definition of ITMO that applies to it, in accordance with paragraph 2 b) of the annex of the Decision 2/CMA.3. Additionally, the Party should inform the name of the international mitigation initiative or the institution that would use the transferred ITMOS.
- The number of ITMOS that are authorized.
- In the case of the authorization of ITMOS that will be cancelled voluntarily for the OMGE, mention the percentage of ITMOS that will be cancelled.
- The amount of ITMOS that will be levied in case of voluntary contributions for adaptation or as part of the SOP under Article 6.4.
- Information on the unique identifier of the authorized ITMOS.
- metrics of authorized ITMOS.

Issues to clarify:

The relationship of the authorization and the corresponding adjustment should be discussed, since this "trigger" could be given at different times depending on the use.

The Host Party to the 6.4 mechanism may, for example, decide to make the corresponding adjustment at the time in the year in which the emission reductions adjacent to the issued mitigation results have been generated. This implies that the Party makes said adjustment without yet being certain whether its international transfer would take place. On the other hand, the host Party could decide to make the corresponding adjustment of the mitigation results just before or at the time it is known that the mitigation results will be used by another Party and, therefore, transferred internationally. This could generate a gap between the date on which the adjacent emission reductions were generated and the date on which it is decided to make the adjustment.

(c) Regular information

- 43. Purpose:** Regular information is necessary to understand how the Party complies with the Article 6 guiding principles and the respective participation responsibilities while implementing cooperative approaches. Additionally, the regular information will serve to understand the contribution of the ITMOS exchanged by the Parties in achieving their NDCs.
- 44. Timing and frequency:** Chapeau of paragraphs 22 and 23 of the annex of decision 2/CMA.3. Frequency and specific timing for reporting of annual information is clearly specified in paragraph 21 of the Annex of the Decision 2/CMA.3. The information must be entered into the CARP "accounting module" (the Article 6 database) using the international system of registries.
- 45. Information, linkages and possible overlaps with other reports:**
Regarding of the report of quantitative regular information, additional tabular formats that helps to zooming in Parties' participation in each cooperative approach will be needed. These tables are essential to visualize how adjustments are correspondingly applied (see table 1).

Consistency, correspondence and avoidance of double counting are ensured when the cumulative emissions of the two Parties before and after the use of ITMOS and application of the corresponding adjustments are the same.





	Party A		Party B	
	20 Mton transferred			
Emissions	100 Mton		160 Mton	Sum of emissions of the two countries before the use of ITMOS and CA  260 Mton
Incorrect adjustment	100 Mton		140 Mton	Sum of emissions of the two countries after the use of ITMOS and CA  240 Mton
Correct adjustment	120 Mton		140 Mton	 260 Mton

Table 1. Example of how reporting the transfers, uses and corresponding adjustments of two Parties participating in the same cooperative approach (using the trajectory methodology).

PARTE A: ACQUIRING PARTY

Base year emissions: 100 MTON CO₂

Target: Reduction of 25% of base year emissions (25 Mton CO₂)

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Cumulative values
Annual anthropogenic emissions by sources and removals by sinks covered by its NDC or, where applicable, from the emission or sink categories as identified by the host Party pursuant to paragraph 10 of annex to decision 2/CMA.3 (para. 23(a), annex to decision 2/CMA.3) (as part of para. 77 (d)(i) of the MPGs)	93,5	91	89	88	87	85	83	80	78	76	850,5
Annual quantity of ITMOs first transferred (para. 23(c), annex to decision 2/CMA.3) (para. 77(d)(ii) of the MPGs)											
Annual quantity of mitigation outcomes authorized for use for other international mitigation purposes and entities authorized to use such mitigation outcomes, as appropriate (para. 23(d), annex to decision 2/CMA.3) (para. 77(d)(ii) of the MPGs)											
Annual quantity of ITMOs used towards achievement of the NDC (para. 23(e), annex to decision 2/CMA.3) (para. 77(d)(ii) of the MPGs)	0	0,5	1	0,5	0,7	0,6	0,8	1,5	2	2,5	10,1
Net annual quantity of ITMOs resulting from paras. 23(c)-(e), annex to decision 2/CMA.3 (para. 23(f), annex to decision 2/CMA.3)	0	-0,5	-1	-0,5	-0,7	-0,6	-0,8	-1,5	-2	-2,5	
Annual emissions balance	93,5	90,5	88	87,5	86,3	84,4	82,2	78,5	76	73,5	840,4
Total quantitative corresponding adjustments used to calculate the emissions balance referred to in para. 23(k)(i), annex to decision 2/CMA.3, in accordance with the Party's method for applying corresponding adjustments consistent with section III.B, annex to decision 2/CMA.3 (Application of corresponding adjustments) (para. 23(g), annex to decision 2/CMA.3)	93,5	90,5	88	87,5	86,3	84,4	82,2	78,5	76	73,5	840,4
If applicable, an indicative multi-year emissions trajectory, trajectories or budget for its NDC implementation period (para. 7(a)(i), annex to decision 2/CMA.3)	93	91	89	87	85	83	81	79	77	75	840
	0,5	-0,5	-1	0,5	1,3	1,4	1,2	-0,5	-1	-1,5	

Party A and B Real cumulative emissions (before article 6)	2056,5
Party A and B Cumulative emissions (After corresponding adjustments)	2056,5

PARTE B: TRANSFERRING PARTY

Base year emissions: 140 MTON CO₂

Target: Reduction of 20% of base year emissions (28 Mton CO₂)

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Cumulative values
Annual anthropogenic emissions by sources and removals by sinks covered by its NDC or, where applicable, from the emission or sink categories as identified by the host Party pursuant to paragraph 10 of annex to decision 2/CMA.3 (para. 23(a), annex to decision 2/CMA.3) (as part of para. 77 (d)(i) of the MPGs)	133	132	128	123	121	118	116	114	112	109	1206
Annual quantity of ITMOs first transferred (para. 23(c), annex to decision 2/CMA.3) (para. 77(d)(ii) of the MPGs)	0	0,5	1	0,5	0,7	0,6	0,8	1,5	2	2,5	
Annual quantity of mitigation outcomes authorized for use for other international mitigation purposes and entities authorized to use such mitigation outcomes, as appropriate (para. 23(d), annex to decision 2/CMA.3) (para. 77(d)(ii) of the MPGs)											
Annual quantity of ITMOs used towards achievement of the NDC (para. 23(e), annex to decision 2/CMA.3) (para. 77(d)(ii) of the MPGs)											
Net annual quantity of ITMOs resulting from paras. 23(c)-(e), annex to decision 2/CMA.3 (para. 23(f), annex to decision 2/CMA.3)	0	0,5	1	0,5	0,7	0,6	0,8	1,5	2	2,5	10,1
Annual emissions balance	133	132,5	129	123,5	121,7	118,6	116,8	115,5	114	111,5	1216,1
Total quantitative corresponding adjustments used to calculate the emissions balance referred to in para. 23(k)(i), annex to decision 2/CMA.3, in accordance with the Party's method for applying corresponding adjustments consistent with section III.B, annex to decision 2/CMA.3 (Application of corresponding adjustments) (para. 23(g), annex to decision 2/CMA.3)	133	132,5	129	123,5	121,7	118,6	116,8	115,5	114	111,5	1216,1
If applicable, an indicative multi-year emissions trajectory, trajectories or budget for its NDC implementation period (para. 7(a)(i), annex to decision 2/CMA.3)	134,5	132	129,5	127	124,5	122	119,5	117	114,5	112	1232,5
	-1,5	0,5	-0,5	-3,5	-2,8	-3,4	-2,7	-1,5	-0,5	-0,5	-16,4

In this example, both Parties have final cumulative emissions and emissions at the target year below their indicative trajectory. In consequence, both Parties achieved their NDCs. Also, the adjustments applied are actually corresponding due to there is no double counting during the implementation of the cooperative approach (what is subtracted from one side is added to the other), and the sum of the accumulated emissions of the Parties involved in said approach is the same before and after implementing article 6.

It is also needed a table that summarizes Parties' Participation in Article 6.4 mechanism, in particular, information on ITMOs authorized, transferred and used towards the achievement of the NDC or other international mitigation purposes.

In addition, some qualitative information required in paragraph 77 d) iii of transparency MPGs (Annex of Decision 18/CMA.1) that is supposed to be reported using *TABLE 3. Structured summary: Methodologies and accounting approaches (included in the Annex of decision 5/CMA.1)* is also required to be included in the annex of the BTR. It would be necessary to make a cross reference between this table of methodologies and approaches table 3 and the Annex of the BTR.

46. Where and how should be submitted (i.e. vehicle to be used)?

As stated in paragraphs 21 and 22 of the Annex of Decision 2/CMA.3, there is annual information (i.e. information on ITMOs transferred in 2024 and 2025) that must be reported biennially and included in the annex of the BTR.

In the case of the information of paragraph 23 of the Annex of Decision 2/CMA.3, it must be included in the structured summary used to track the progress made in implementing and achieving the NDCs.

47. How the information should be reviewed?

Format of the review of the Article 6 regular information will depend on the modality of the BTR review. That means that most of cases, the review of the regular information will be conducted as a centralized review.

In addition, there will be necessary to have two experts in charge of review the article 6 information included in the Annex of the BTR. One expert could review the consistency of the information reported in the annex of the BTR against the guidance and other in charge of reviewing consistency of quantitative information that also need to work together with the expert in charge of reviewing tracking progress of the NDC.

This consistency review should consist in:

- The consistency of the information reported against the guidance:
 - It must be ensured completeness and transparency of the information reported, as well as the fulfilment of the TACCC principles.
 - It must be ensured that there are no inconsistencies between figures reported in the most up to date BTR and Article 6 database or previous reports.
- The consistency of the information reported by Parties involved in the same cooperative approach: the information reported by two (or more) Parties regarding the same cooperative approach is quantitatively consistent. For this, it must be reviewed that:
 - The methodology for corresponding adjustments is adequately applied.
 - The emissions balances and the corresponding adjustments are appropriately estimated.
 - As mentioned above, the adjustments applied are actually corresponding, and there is no double counting during the implementation of a cooperative approach (what is subtracted from one side is added to the other). To this aim, it should also be

checked that the sum of the accumulated emissions of the Parties involved in said approach is the same before and after implementing article 6 (reviewing formats that contain details of the ITMOs exchange of a Cooperative Approach).

- The NDC expert must review the aggregate contribution of Article 6's implementation to the implementation and achievement of the NDCS.