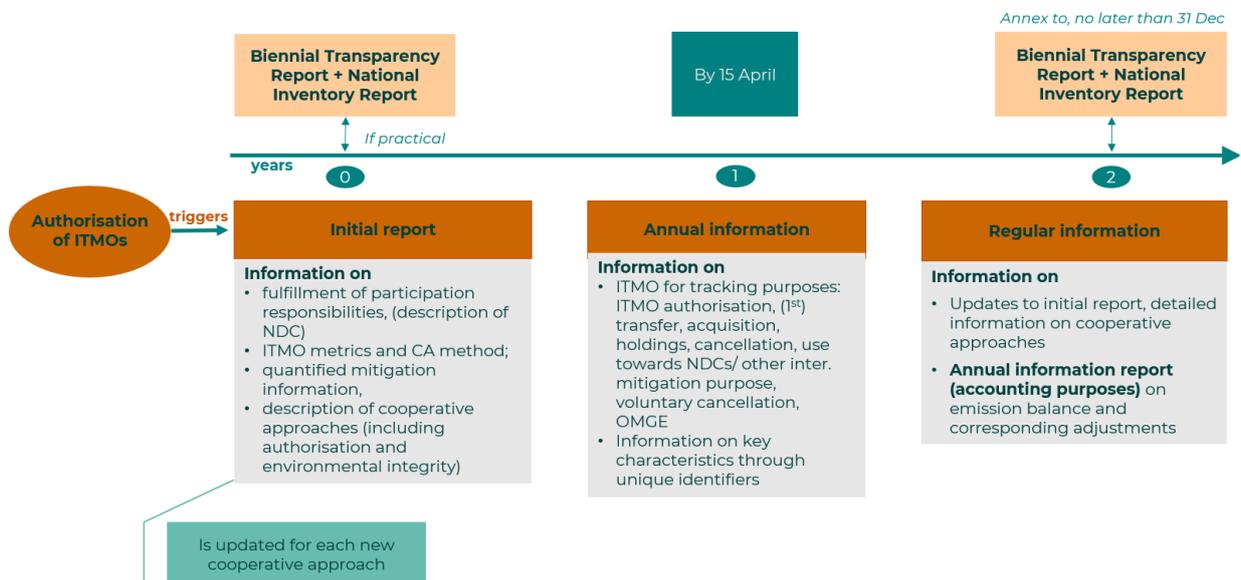


REPORTING

To uphold the Article 6 principles of environmental integrity, robust accounting, and transparency in international carbon markets, it is essential that Parties report key information on their Article 6 activities in a clear, accurate, and timely manner

The relevant Article 6 authority/authorities must familiarise themselves with the Article 6 reporting requirements and liaise with the authorities and institutions responsible for preparing Biennial Transparency Reports (BTRs) and other relevant national reporting. As shown in Figure 1, Parties participating in Article 6 must provide multiple types of information at specified intervals to ensure that cooperative approaches are transparently implemented and that transfers and use of ITMOs are properly recorded.

Figure 1: Reporting process



Source: Figure developed by Perspectives Climate Group (2021)¹, based on Michaelowa et al. (2020)².

¹ Perspectives Climate Group (2021): International reporting obligations under Article 6, PA, Freiburg, Germany.

² Michaelowa, Axel; Gilde, Lieke 't; Espelage, Aglaja; Chagas, Thiago (2020): [Promoting transparency in Article 6. Designing a coherent and robust reporting and review cycle in the context of operationalizing Articles 6 and 13 of the Paris Agreement](#), Perspectives Climate Group, Freiburg



Initial report

Parties that wish to participate in cooperative approaches (Article 6.2) are required to submit an initial report demonstrating compliance with Article 6.2 participation responsibilities. This report shall confirm the presence of all necessary infrastructure³ and national arrangements to participate in cooperative approaches.⁴

The information to be provided in the initial report includes:

- The ITMO metrics and method for CA that will be applied consistently throughout the period of NDC implementation
- Quantified mitigation information in the NDC expressed in tCO₂e, including sectors, GHGs, time periods, reference levels and target levels (in case quantification in tCO₂e is not feasible, a methodology for quantification should be provided by the Party)
- For NDCs or targets using non-GHG metrics, the quantification of the NDC (or a portion of the NDC) in the relevant metric
- A description of the cooperative approaches in which they participate, outlining expected mitigation and the participating Parties

If a Party has not submitted a BTR, a description of their NDC in the initial report should elaborate on:

- Description of targets, including the type of target, target year or period (single-year or multi-year)
- Applied baseline or reference point
- Timeframe for implementation
- Scope and coverage of the NDC

³ This strategic orientation is further detailed in the *Article 6 Infrastructure section* in the Article 6 page *What is needed for national implementation?*

⁴ This strategic orientation is further detailed in the *Governance structure and institutional arrangements section* in the Article 6 page *What is needed for national implementation?*



- Intention to use cooperative approaches for NDC achievement
 - Updates to previously reported information
- To directly access the most updated version of the initial report, please click [here](#).

The template for the initial and updated initial report, as well as submitted reports can be accessed on the [UNFCCC website](#).

Annual information

Participating Parties must provide information on their carbon market activities on an annual basis, no later than 15 April of the following year in the agreed electronic format. The annual information must contain the following:

- ITMOs authorised for:
 - use towards NDC achievement
 - use towards other international mitigation purposes
- ITMOs First transferred
- Total Transfers
- Acquisitions
- Holdings
- Cancellation, including:
 - Voluntary cancellation
 - Voluntary cancellation of ITMOs towards Overall Mitigation in Global Emissions (OMGE)
 - Use towards NDCs
- Specification of the cooperative approach, the other international mitigation purpose authorised by the Party, the first transferring participating Party, the using participating Party/authorised entity (-ies), the year of mitigation occurrence, the sector(s) and activity type(s), and unique identifiers.

Parties must submit the annual information for recording in the Article 6 database.



Regular information

As an annex to the BTR, Parties are required to submit regular information on their participation in cooperative approaches beyond reporting on the accounting of ITMOs no later than 31 December of the relevant year.

The regular information should elaborate on:

- Party's participation in cooperative approaches: This section includes information on how a Party is fulfilling the participation responsibilities; applying CA; providing updates on information in initial report and BTRs; information on authorisation of ITMOs and their use without compromising environmental integrity.
- How each cooperative approach meets the requirements: This section includes information on contribution to the mitigation of GHGs and NDC implementation; ensuring environmental integrity, measurement of mitigation outcomes, whether in tCO₂e or in non-GHG metrics; measurement of mitigation co-benefits; minimisation and avoidance of negative environmental, economic and social impacts; consideration of gender equality, human rights and rights of indigenous peoples, local communities, and vulnerable people; consistency with sustainable development objectives; application of safeguards; contribution of resources for adaptation and delivering OMGE.
- Annual quantitative information: This includes information on the following elements:
 - Annual quantity per cooperative approach, sector, transferring Party, using Party and vintage of ITMO
 - Anthropogenic emissions by sources and removals by sinks covered by the NDC
 - ITMOs first transferred
 - Mitigation outcomes authorised for other international mitigation purposes and entities authorised to use them
 - Annual quantity of ITMOs used towards achievement of the NDC
 - Net annual and cumulative quantity of ITMOs
 - Total quantitative CAs used to calculate the emissions balance
 - Annual level of the relevant non-GHG indicator used
 - Emissions balance for GHG and non-GHG metrics
 - Assessment of whether the Party has achieved NDC target(s) and applied corresponding adjustments appropriately
- To directly access the most updated version of the regular information template, please click [here](#).



*Note that all non-confidential information will be made public on the [Centralized accounting and reporting platform \(CARP\)](#) of the UNFCCC.

Article 6 in BTRs

An important responsibility of Parties is to ensure that their participation in Article 6 activities contributes to the implementation of their NDCs.⁵ There are three linkages to Article 6 in NDC reporting that participating Parties must provide information on, such as:

1. Description of a Party's NDC: In the table describing a Party's NDC, Parties are required to state their intention to use cooperative approaches, leading to the use of ITMOs towards NDC.
2. Structured Summary: A structured summary is identified by negotiators and experts as a pivotal reporting requirement by participating Parties, containing the most relevant information to track progress made in implementing and achieving NDCs.
 - a. In the **structured summary on methodologies and accounting approaches**, Parties involved in a cooperative approach or authorising ITMOs for other international mitigation purposes must submit qualitative information or refer to the relevant sections of the BTR on the methodologies used, ensuring sustainable development, environmental integrity, transparency, and robust accounting. Parties may draw on information communicated via reporting requirements under Article 6 to supply data needed to complete the structured summary.
 - b. In the **structured summary table on tracking progress made in implementing and achieving the NDC**, Parties must provide the quantitative information presented in regular information under Article 6.2 reporting requirements to complete this summary. In that same table, the NDC emission balance for all GHG-based NDCs is also reported in this table. The structured summary also includes placeholders ("any other information") for Article 6 negotiations to specify the "further information" to be included in the relevant tables.

The format of structured summary tables is included as [Annex](#) to Decision 5/CMA.3.

⁵ This strategic orientation is further detailed in the Information Note *Aligning Article 6 strategy with the NDC* in the Article 6 page *How to engage strategically?*



3. Biennial Transparency Report: Annual and regular information under the Article 6.2 reporting requirements form the basis to develop chapter II of the BTRs (Information necessary to track progress made in implementing and achieving NDCs) and constitute a part of Annex 4 of the BTRs (Information in relation to the Party's participation in cooperative approaches). BTRs must be submitted by Parties to the UNFCCC repository of BTRs for publishing non-confidential information. The format of BTRs is included as [Annex](#) to Decision 5/CMA.3.

Authors: Annika Wallengren & Aayushi Singh (Perspectives Climate Group)