

## DRAFT TEXT

on

### SBSTA 52–55 agenda sub-item 15(a) Matters relating to Article 6 of the Paris Agreement: Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement

Version 1 of 1 November 2021 01:30hrs

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#### **Draft CMA decision on guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement**

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*The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement,*

*Recalling the Paris Agreement, in particular its preamble,*

*Also recalling Article 2 of the Paris Agreement and decision 1/CP.21,*

*Also recalling Article 4, paragraph 2 of the Paris Agreement,*

*Also recalling Article 6 of the Paris Agreement and decision 1/CP.21, paragraph 36, and decision 8/CMA.1 and decision 9/CMA.1,*

*Cognisant of decision X/CMA.3 {Transparency decision},*

1. *Adopts* the guidance on cooperative approaches referred to in Article<sup>1</sup> 6, paragraph 2 as contained in the annex;
2. *Clarifies* that the annex requires information to be reported in the structured summary pursuant to decision 18/CMA.1 (Modalities, procedures and guidelines for the transparency framework for action and support referred to in Article 13 of the Paris Agreement), annex, per paragraph 77 (d), including information to be reported per paragraph 77 (d) (iii);
3. *Requests* the Subsidiary Body for Scientific and Technological Advice to undertake the following work, on the basis of the guidance in the annex, to develop recommendations on its implementation for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) at its fourth session (November 2022):
  - (a) The special circumstances of the least developed countries and small island developing States;
  - (b) Elaboration of further guidance in relation to non-greenhouse gas (non-GHG) metrics determined by participating Parties, including on:
    - (i) Methods for conversion between two or more non-GHG metrics pursuant to chapters III (Corresponding adjustments) and IV of the annex (Reporting);
    - (ii) [Methods for conversion of the annual balance in non-GHG into GHG in order to understand the impact on GHG emissions in tCO<sub>2</sub>e covered by the NDC];
    - (iii) [The method for applying a corresponding adjustment to the annual level of the non-GHG indicators selected by the participating Party];
  - (c) Elaboration of further guidance in relation to corresponding adjustments for multi-year and single-year NDCs, in a manner that ensures the avoidance of double counting, on:
    - (i) [Methods for establishing a trajectory, trajectories or budgets and for averaging, including with respect to relevant indicators and for calculating cumulative emissions by sources and removals by sinks [including consideration of whether and by when the guidance should be revised to provide for a single method for application of corresponding adjustments] [and including guidance to ensure representativeness, in particular for averaging]];

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<sup>1</sup> “Article” refers to an Article of the Paris Agreement, unless otherwise specified.

- (ii) [The relevant year of application of the corresponding adjustment (for example, year of generation of the mitigation outcome or year of first transfer, and/or year of use);]
  - (iii) [Ensuring first transfer and use of ITMOs occurs within one NDC implementation period];
  - (iv) [The completion of corresponding adjustments consistent with chapter III of the annex in respect of each NDC implementation period in order to ensure accuracy of the assessment required pursuant to paragraph 23 (h) of the annex];
  - (v) Elaboration of how chapter III.B paragraph 11 of the annex (Application of corresponding adjustments) may be implemented;
  - (vi) Other methods in addition to those set out in chapter III.B of the annex (Application of corresponding adjustments);
- (d) [Implementation of the limits set out in][Elaboration of any limits that may be required pursuant to] chapter III.E of the annex (Limits to the transfer and use of ITMOs);
- (e) Consideration of whether ITMOs could include emissions avoidance.
4. *Requests* the secretariat to convene a group of experts from among interested Parties to develop options for the outlines for the information required pursuant to chapter IV of the annex (Reporting), including the agreed electronic format referred to in chapter IV.B of the annex (Annual information), on the basis of the information in those chapters, for consideration by the SBSTA at its 56<sup>th</sup> session (June 2022);
5. *Requests* the Subsidiary Body for Scientific and Technological Advice to develop outlines for the information required pursuant to chapter IV of the annex (Reporting), including the agreed electronic format referred to in chapter IV.B of the annex (Annual information), on the basis of the options developed pursuant to paragraph 4 above for consideration and adoption by the CMA at its fourth session (November 2022);
6. *Also requests* the Subsidiary Body for Scientific and Technological Advice to develop recommendations for guidelines for the reviews pursuant to chapter V of the annex (Review), including in relation to the Article 6 technical expert review team, in a manner that minimizes the burden on Parties and the secretariat, for consideration and adoption by the CMA at its fourth session (November 2022) that include:
- (a) [Provisions ensuring that the review assesses consistency of the cooperative approach with the annex];
  - (b) [That reviews are desk reviews or centralized reviews (per the descriptions in paragraphs 154 and 153 of the annex to decision 18/CMA.1) and are conducted at regular intervals each year];
  - (c) [That the reviews review the consistency between the reporting of all of the Parties participating in a cooperative approach, in respect of that cooperative approach];
  - (d) [That reviews specify action to be taken when inconsistencies are identified];
  - (e) [The composition of the Article 6 technical expert review team, how the team interacts with the participating Party when undertaking the review, the implications of paragraph 176, annex to decision 18/CMA.1 in respect of composition of Article 13 review teams, and the training programme for the Article 6 technical experts];
  - (f) Coordination of the Article 6 technical expert review with the technical expert review referred to in chapter VII of the annex to decision 18/CMA.1, including ensuring that Article 6 technical expert reviews in a given review cycle are completed in advance of and the relevant reports are provided to the technical expert review referred to in chapter VII of the annex to decision 18/CMA.1;
7. *Also requests* the secretariat to convene a group of experts from among interested Parties to develop options for implementing the infrastructure requirements, including the international registry, the Article 6 database and the centralized accounting and reporting platform referred to in chapter VI of the annex (recording and tracking) for consideration by the SBSTA at its 56<sup>th</sup> session (June 2022);
8. *Requests* the Subsidiary Body for Scientific and Technological Advice, on the basis of the options developed by the secretariat pursuant to paragraph 8 above to make recommendations relating to infrastructure, including registries, the international registry, the Article 6 database and the centralized

- accounting and reporting platform referred to in chapter VI of the annex (Recording and tracking) for consideration and adoption by the CMA at its fourth session (November 2022);
9. *Affirms* that the guidance will not infringe on the nationally determined nature of NDCs;
  10. *Requests* the secretariat to design and, following consultation with interested Parties, implement a capacity-building programme, including through its regional collaboration centres, to support interested Parties, particularly developing country Parties, intending to participate in cooperative approaches including:
    - (a) To develop institutional arrangements in order to engage in cooperative approaches;
    - (b) To assist least developed countries and small island developing States to meet the participation requirements, as set out in chapter II of the annex (Participation);
    - (c) {Placeholder for other elements};
  11. *Requests* the secretariat to prepare periodically a compilation and synthesis of the results of the Article 6 technical expert review, including identification of recurring themes and lessons learned, for consideration by the CMA, including in the context of its review of the guidance;
  12. *Decides* to review the guidance at its eighth session (2026) and to complete the review by no later than at its tenth session (2028).
  13. *Requests* the Subsidiary Body for Scientific and Technological Advice to develop recommendations in relation to the review referred to in paragraph 11 above, and *decides* that the relevant work of the Subsidiary Body for Scientific and Technological Advice shall include, but is not limited to:
    - (a) Participation responsibilities in chapter II of the annex (Participation);
    - (b) Implementation of chapter III of the annex (Corresponding adjustments)
    - (c) Implementation of chapter IV of the annex (Reporting);
    - (d) Implementation of chapter V of the annex (Review);
    - (e) Consideration of any need for further safeguards;
  14. *Also requests* the secretariat to support the forum on the impact of the implementation of response measures (referred to in paragraph 33 of decision 1/CP.21) in considering way to address negative social or economic impacts, especially on developing country Parties, resulting from activities under Article 6, paragraph 2, as requested by the forum;
  15. *Invites* the Adaptation Fund to report in its annual reports to the CMA on funding related to participation in cooperative approaches pursuant to paragraph 37 of chapter VII of the annex (Ambition in mitigation and adaptation actions);
  16. *Takes note* of the estimated budgetary implications of the activities to be undertaken by the secretariat referred to in this decision;
  17. *Requests* that the actions called for in this decision be undertaken subject to the availability of financial resources;
  18. *Invites* Parties to make contributions to the Trust Fund for Supplementary Activities for operationalizing the guidance and for supporting the capacity building programme referred to in paragraph 10 above.

## Annex

### Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement

#### I. Internationally transferred mitigation outcomes

1. Internationally transferred mitigation outcomes (ITMOs) from a cooperative approach are:
  - (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 (tCO<sub>2</sub> 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 the participating Parties that are consistent with the nationally determined contributions (NDCs) of the participating Parties;
  - (d) From a cooperative approach referred to in Article<sup>2</sup> 6, paragraph 2, (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 onward;
  - (f) Mitigation outcomes authorized by a participating Party for use for international mitigation purposes other than achievement of an NDC, or [authorized] for other purposes including as determined by the first transferring participating Party (hereinafter referred to as other international mitigation purposes);
  - (g) 6.4ERs under the mechanism established by Article 6, paragraph 4 when they are internationally transferred.
2. A “first transfer” is:
  - (a) The first international transfer of a mitigation outcome authorized by a participating Party for use towards achievement of an NDC;
  - (b) The authorization of a mitigation outcome by a participating Party for use for other international mitigation purposes.

#### II. Participation

3. Each Party participating in a cooperative approach that involves the use of ITMOs (hereinafter referred as a participating Party) shall ensure that its participation in the cooperative approach and the authorization, transfer and use of ITMOs is consistent with this guidance and relevant decisions of the CMA.
4. Each participating Party shall ensure that:
  - (a) It is a Party to the Paris Agreement;
  - (b) It has prepared, communicated and is maintaining an NDC in accordance with Article 4, paragraph 2 and decision 4/CMA.1;
  - (c) It has arrangements in place for authorizing the use of ITMOs towards achievement of NDCs pursuant to Article 6, paragraph 3;

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<sup>2</sup> “Article” refers to an Article of the Paris Agreement, unless otherwise specified.

- (d) It has arrangements in place that are consistent with this guidance and relevant decisions of the CMA, for tracking ITMOs;
  - (e) It has provided the most recent national inventory report required in accordance with decision 18/CMA.1;
  - (f) [Its participation contributes to the implementation of its NDC and long-term low greenhouse gas emission development strategies, if it has one].
5. In relation to the least developed countries and small island developing States, pursuant to Article 4, paragraph 6, their special circumstances shall be recognized where this guidance relates to NDCs, and other aspects of their special circumstances may be recognized in further decisions of the CMA relating to this guidance.

### **III. Corresponding adjustments**

#### **A. Internationally transferred mitigation outcome metrics** *{The two paragraphs in this chapter III. A could be consolidated}*

6. For ITMOs measured in a non-GHG metric determined by the participating Parties, each participating Party shall apply corresponding adjustments consistent with this guidance and relevant future decisions of the CMA.
7. For ITMOs measured in tCO<sub>2</sub>eq, each participating Party shall apply corresponding adjustments, consistent with this guidance and relevant future decisions of the CMA.

#### **B. Application of corresponding adjustments** *{Note: Provisions in paragraph 8 apply to each participating Party – first transferred and used by that Party}*

8. Each participating Party shall apply corresponding adjustments in a manner that ensures: transparency, accuracy, completeness, comparability and consistency; that participation in cooperative approaches does not lead to a net increase in emissions within and between NDC implementation periods; that corresponding adjustments shall be representative and consistent with the participating Party's NDC implementation and achievement. Each participating Party shall apply one of the following methods consistently throughout the NDC implementation period:
- (a) Where the participating Party has a single-year NDC:
    - (i) Providing a multi-year emissions trajectory, trajectories or budget for the NDC implementation period that is consistent with implementation and achievement of the NDC, and annually applying corresponding adjustments for the total amount of ITMOs first transferred and used for each year in the NDC implementation period;
    - (ii) Calculating the average annual amount of ITMOs first transferred and used over the NDC implementation period, by taking the cumulative amount of ITMOs and dividing by the number of elapsed years in the NDC implementation period and annually applying indicative corresponding adjustments equal to this average amount for each year in the NDC implementation period and applying corresponding adjustments equal to this average amount in the NDC year;
  - (b) Where the participating Party has a multi-year NDC:

Calculating a multi-year emissions trajectory, trajectories or budget for its NDC implementation period that is consistent with the NDC, and annually applying corresponding adjustments for the total amount of ITMOs first transferred and used each year in the NDC implementation period and cumulatively at the end of the NDC implementation period;
9. Each participating Party with an NDC measured in tCO<sub>2</sub> eq shall apply corresponding adjustments pursuant to paragraph 8 above, resulting in an emissions balance as referred to in decision 18/CMA.1, [annex paragraph 77 (d) (ii),] reported pursuant to paragraph 23 of this guidance, for each year, by applying

corresponding adjustments in the following manner to the anthropogenic emissions by sources and removals by sinks from the sectors and GHG covered by its NDC:

- (a) Adding the quantity of ITMOs authorized and first transferred, pursuant to paragraph 8 above;
  - (b) Subtracting the quantity of ITMOs used pursuant to paragraph 8 above.
10. Each participating Party with an NDC measured in non-GHG metrics determined by the participating Parties engaging in a cooperative approach involving ITMOs traded in the same non-GHG metric shall apply corresponding adjustments on the basis of ITMOs recorded in a [buffer registry] [metric specific registry account] by applying an addition to and subtraction from the annual level of the relevant non-GHG indicator that is being used by the Party to track progress towards the implementation and achievement of its NDC and was selected pursuant to paragraph 65, annex to decision 18/CMA.1, consistent with this chapter III, this guidance and relevant further guidance of the CMA.
  11. [Each participating Party for which the NDC metric is not the same as the metric of the ITMO shall apply corresponding adjustments only on the portion of the NDC from which ITMOs are authorized in accordance with relevant further guidance from the CMA]. [Each participating party that implements an Article 6, paragraph 4 mechanism activity or a cooperative approach inside a policy or measure included in a portion of its mitigation component of its NDC that is not quantified, shall quantify the emissions from such policy or measure and shall apply a corresponding adjustment only to the anthropogenic emissions by sources and removals by sinks contained in that portion of the mitigation component of the NDC from which mitigation by that cooperative approach or Article 6, paragraph 4 activity is achieved, if internationally transferred.]
  12. A method proposed by a Party that meets the requirements of this chapter III, and this guidance, may be included in this chapter III. B (Application of corresponding adjustments), in accordance with relevant further guidance of the CMA.
  13. This chapter shall not require a participating Party to update its NDC.

**C. Sectors and greenhouse gases** *{Note: the paragraphs in this chapter III. C could be consolidated and a similar provision for non-GHG metrics may be needed}*

14. A participating Party that first transfers ITMOs from emission reductions and removals from sectors and GHGs covered by its NDC shall apply corresponding adjustments consistent with this guidance.
15. A participating Party that first transfers ITMOs from emission reductions and removals from sectors and GHGs that are not covered by its NDC shall apply corresponding adjustments consistent with this guidance.

**D. Other international mitigation purposes**

16. [A mitigation outcome, whether or not internationally transferred, may be used for other international purposes if it has been authorized by a participating Party.] [Where a participating Party authorizes the use of mitigation outcomes for other international mitigation purposes, it shall apply a corresponding adjustment, consistent with this guidance, for first transfer].

**E. Limits to the transfer and use of internationally transferred mitigation outcomes**

17. Each participating Party shall ensure transparency, accuracy, consistency, completeness and comparability in tracking progress in implementation and achievement of its NDC and shall ensure that the use of cooperative approaches does not lead to a net increase in emissions of participating Parties within and between NDC implementation periods by [ensuring it does not exceed a maximum level of first transfers of ITMOs][and][ensuring it does not exceed a maximum level of use of ITMOs within a given NDC implementation period][and][applying the limits] set out in further guidance by the CMA.

## IV. Reporting

### A. Initial report

18. Each participating Party shall submit an Article 6, paragraph 2 initial report (initial report) [prior to] [no later than] authorisation or initial first transfer of ITMOs from a cooperative approach [and where practical, in conjunction with the next biennial transparency report due pursuant to decision 18/CMA.1 for the period of NDC implementation]. The initial report shall contain comprehensive information to:
- (a) Demonstrate that the participating Party fulfils the participation responsibilities referred to in chapter II above (Participation);
  - (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 applying corresponding adjustments for multi- or 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<sub>2</sub> 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<sub>2</sub> eq;
  - (e) Quantify the NDC, or that portion of its NDC, in a non-GHG metric determined by each participating Party;
  - (f) Provide, for each cooperative approach, a copy of the authorization by the participating Party, a description of the approach, the expected mitigation and the participating Parties involved;
  - (g) Describe how each cooperative approach 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 how when reversals of emissions removals occur, the cooperative approach will ensure that these are addressed in full;
  - (h) Describe how each cooperative approach will:
    - (i) [Avoid negative and social economic impacts,] [protect human rights and rights of indigenous peoples];
    - (ii) [Be consistent with the sustainable development objectives of the Party, noting national prerogatives];
    - (iii) [Apply any limits set out in further guidance from the CMA pursuant to chapter III.E above (Limits to the transfer and use of internationally transferred mitigation outcomes)];
    - (iv) [Contribute to adaptation financing pursuant to chapter VII (Ambition in mitigation and adaptation actions) [, if applicable]];
    - (v) [Deliver overall mitigation in global emissions pursuant to chapter VII (Ambition in mitigation and adaptation actions) [, if applicable].]
19. For each further cooperative approach, each participating Party shall submit the information referred to in paragraph 18 (f) above [in an updated initial report][and][for inclusion in the centralized accounting and reporting platform referred to in chapter VI.C below (Centralized accounting and reporting platform) [and include it in the next due biennial transparency report]].

## B. Annual information

20. Each participating Party shall, on an annual basis by no later than 31 March of the following year and in an agreed electronic format, submit for recording in the Article 6 database as referred to in chapter VI.B below (Article 6 database):
- (a) Annual information on: authorization of ITMOs for use towards achievement of NDCs, authorization of ITMOs for use towards other international mitigation purposes, first transfer, transfer, acquisition, holdings, cancellation, [[voluntary][mandatory] cancellation of mitigation outcomes or ITMOs towards [overall mitigation in global emissions,][as a contribution to adaptation finance]] use towards NDCs, voluntary cancellation, [and ITMOs transferred as a contribution to adaptation finance];
  - (b) In respect of the above, the cooperative approach, the other international mitigation purpose [authorized by the Party], the first transferring participating Party, the using participating Party, the year in which the mitigation occurred, the sector and activity type, and the unique serial numbers.

## C. Regular information

21. Each participating Party shall include [as an annex forming an integral part of] [in] its biennial transparency reports that are submitted in accordance with paragraph 10(b), annex, decision 18/CMA.1 and no later than 31 December of the relevant year, the following 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 per chapter IV (A) above, and any previous biennial transparency reports [for any information that is not included in the biennial transparency report pursuant to paragraph 64, annex, decision 18/CMA.1];
  - (c) Authorizations and information on its authorization(s) of use of ITMOs towards achievement of NDCs and authorization for use for other international mitigation purposes, including any changes to earlier authorizations, pursuant to Article 6, paragraph 3;
  - (d) How corresponding adjustments undertaken in the latest reporting period, pursuant to chapter III above (Corresponding adjustments) ensure that double counting is avoided in accordance with paragraph 36, of decision 1/CP.21, are representative of progress towards implementation and achievement of its NDC, and how those corresponding adjustments 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 has used towards achievement of its NDC and mitigation outcome(s) authorized for use for other international mitigation purposes, will not be further transferred, cancelled or otherwise used.
22. Each participating Party shall also include, [as an annex forming an integral part of][in] its biennial transparency reports that are submitted in accordance with paragraph 10 (b), annex, decision 18/CMA.1, the following information on how each cooperative approach in which it participates:
- (a) Contributes to the mitigation of GHGs 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 tCO<sub>2</sub> 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-GHG 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) [Avoids negative and social economic impacts, protect human rights and rights of indigenous peoples];
  - (g) [Is consistent with the sustainable development objectives of the Party, noting national prerogatives];
  - (h) [Applies any limits set out in further guidance from the CMA pursuant to chapter III.E above (Limits to the transfer and use of internationally transferred mitigation outcomes)];
  - (i) [Contributes to adaptation financing pursuant to chapter VII (Ambition in mitigation and adaptation actions) [, if applicable]];
  - (j) [Delivers overall mitigation in global emissions pursuant to chapter VII (Ambition in mitigation and adaptation actions) [, if applicable].]
23. Each participating Party shall submit the following annual information (reported biennially) in a manner consistent with chapter III.B above (Application of corresponding adjustments) and any updates to information submitted for previous years in the NDC implementation period to the Article 6 database pursuant to chapter V1.B (Article 6 database), and shall include it in the structured summary (required pursuant to decision 18/CMA.1[, annex, paragraph 77 (d),] as part of the biennial transparency report):
- (a) Annual anthropogenic emissions by sources and removals by sinks from the sectors and GHG covered by its NDC [(as part of paragraph 77 (d) (i) information)];
  - (b) Annual quantity of ITMOs first transferred [(as part of paragraph 77 (d) (ii) information)];
  - (c) Annual quantity of mitigation outcomes authorized for use for other international mitigation purposes [and entities authorized to use such mitigation outcomes, as appropriate] [(as part of paragraph 77 (d) (ii) information)];
  - (d) Annual quantity of ITMOs used towards achievement of its NDC [(as part of paragraph 77 (d) (ii) information)];
  - (e) The cumulative information in respect of the annual information in each of paragraph 23 (a) to (d) above;
  - (f) For the information referred to in paragraph 23 (b) to (d) above, [the amounts per] the cooperative approach, sector, transferring Party, using Party and vintage of the ITMO) for each cooperative approach;
  - (g) For tCO<sub>2</sub> eq metrics, an annual emissions balance, as applicable, consistent with Chapter III. B (Application of corresponding adjustment) [(as part of paragraph 77 (d) (ii) information)];
  - (h) For non-GHG metrics determined by participating Parties, annual adjustments [resulting in an annual balance], consistent with paragraph 10 of chapter III above (Corresponding adjustments) and future guidance to be adopted by the CMA;
  - (i) In biennial transparency reports that contain information on the end year of the NDC implementation period, 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) [and consistent with future decisions from the CMA].
24. Information submitted by a Party pursuant to this chapter that is not identified by that Party as confidential (Non-confidential information) shall be made public on the centralized accounting and reporting platform.

## V. Review

25. An Article 6 technical expert review consists of a desk or centralized review of the consistency of the information submitted by the Party under chapter IV, A and C above (Reporting) with this guidance. An Article 6 technical expert review shall be undertaken in a manner that minimizes burden on Parties and the secretariat.
26. An Article 6 technical expert review team shall review the information submitted pursuant to chapter IV A and C above (Reporting) in accordance with guidelines to be adopted by the CMA.
27. The Article 6 technical expert review team shall prepare a report on its review pursuant to paragraph 26 above, which may include recommendations to the participating Party on how to improve consistency with this guidance and relevant decisions of the CMA, including on how to address inconsistencies in quantified information that is reported under sections B and C of chapter IV above (Reporting) and/or identified by the secretariat as part of the consistency check.
28. The Article 6 technical expert review team shall forward its reports for consideration by the technical expert review referred to in chapter VII of the annex to decision 18/CMA.1 in accordance with the modalities, procedures and guidelines referred to in paragraph 26 above and the reports shall be made publicly available in the centralized accounting and recording platform.

## VI. Recording and tracking

### A. Tracking

29. Each participating Party shall have, or have access to, a registry for the purpose of tracking and shall ensure that such registry records, including through unique identifiers, [as applicable]: authorization, first transfer, transfer, acquisition, cancellation [[for overall mitigation in global emissions][or][as contributions of ITMOs towards adaptation finance]], use towards NDCs, authorization for use towards other international mitigation purposes, and voluntary cancellation, and shall have accounts as necessary.
30. The secretariat shall implement an international registry for participating Parties that do not have or do not have access to a registry. The international registry shall be able to perform the functions set out in paragraph 29 above.
31. The international registry shall be part of the centralized accounting and reporting platform referred to in chapter VI.C below (Centralized accounting and reporting platform).

### B. Article 6 database

32. For transparency in relation to cooperative approaches, to record and compile the information submitted by participating Parties pursuant to chapter IV sections B and C above (Reporting) and to support the review referred to in chapter V above (Review), the secretariat shall implement an Article 6 database as part of and integrated with the centralized accounting and reporting platform referred to in chapter VI.C below (Centralized accounting and reporting platform). The Article 6 database shall enable the following:
  - (a) Recording of corresponding adjustments and emissions balances for and information on ITMOs first transferred, transferred, acquired, held, cancelled [[for overall mitigation of global emissions][or] as contributions of ITMOs towards adaptation finance]] and/or used by participating Parties, through identification of ITMOs by unique identifiers that identify at the minimum, the participating Party, vintage of underlying mitigation, activity type and sector;
  - (b) Identifying inconsistencies to be notified to the participating Party.
33. The secretariat shall:
  - (a) Check the consistency of information reported by a participating Party pursuant to chapter IV above (Reporting), with the requirements of this guidance and including across the participating Parties in a cooperative approach (consistency check);

- (b) Notify the participating Party of any inconsistencies identified in the information reported by the Party, including as compared to information reported by another participating Party;
  - (c) Provide information relevant to the participating Party's cooperative approach(es), including the consistency check to the Article 6 technical expert review team in accordance with the modalities, procedures and guidelines referred to in paragraph 26 above.
  - (d) Make non-confidential information in the consistency check publicly available on the centralized accounting and reporting platform.
34. Any amendments to the information recorded in the Article 6 database, including in response to any inconsistencies raised by the secretariat through the consistency check or as a result of recommendations arising from the Article 6 technical expert review pursuant to chapter V above (Review), may be submitted by the participating Party to be recorded in the Article 6 database.

### **C. Centralized accounting and reporting platform**

35. For transparency in relation to cooperative approaches and to support the review referred to in chapter V above (Review), the secretariat shall establish and maintain a centralized accounting and reporting platform for publishing information submitted by participating Parties pursuant to chapter IV above (Reporting).
36. The secretariat shall:
- (a) Maintain public information on cooperative approaches and ITMOs by extracting relevant non-confidential information from the information submitted by participating Parties pursuant to chapter IV above (Reporting);
  - (b) Maintain links to the publicly available information submitted by participating Parties on the cooperative approaches in which they participate;
  - (c) Provide an annual report to the CMA on the activities in relation to this chapter VI, sections A, B and C, including information on recorded ITMOs, corresponding adjustments and emission balances.

## **VII. [Ambition in mitigation and adaptation actions**

37. *Recalling* Article 6, paragraph 1, participating Parties using cooperative approaches, [particularly those cooperative approaches that are baseline and crediting approaches], [[shall] [are strongly encouraged to [commit to]]] contribute resources for adaptation[, primarily through contributions to the Adaptation Fund,] [and to contribute commensurate with the rate delivered under the mechanism established by Article 6, paragraph 4,] to assist developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation.
38. [Each participating Party [shall] [is encouraged to] report as part of their biennial transparency reporting, in accordance with chapter IV.C above (Regular information) on any contributions made pursuant to paragraph 37 above.]
39. Participating Parties and stakeholders [shall] [are [strongly] encouraged to] cancel ITMOs to deliver an overall mitigation in global emissions [that is commensurate with the scale delivered under the mechanism established by Article 6, paragraph 4,] and that are not counted towards any Party's NDC or for other international mitigation purposes.
40. [Each participating Party [shall][is encouraged to] report as part of their biennial transparency reporting, in accordance with chapter IV.C above (Regular information) on [any] delivery of overall mitigation in global emissions related to its participation in cooperative approaches.]

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