

# REVIEW PRACTICE GUIDANCE 2020



**For Reviews of  
National Communications  
and Biennial Reports of  
Developed Country Parties**

**Draft for consideration at the  
Seventh Lead Reviewers Meeting  
9-10 June 2020, Bonn, Germany**

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## **Acronyms and abbreviations**

Annex I Parties	Parties included in Annex I to the Convention
Article 7 guidelines	Guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol
BR	Biennial report
BR1s	First biennial reports
BR2s	Second biennial reports
BR3s	Third biennial reports
CTF	Common tabular format
ERTs	Expert review teams
ESD	Effort-sharing decision
EU	European Union
EU ETS	EU emissions trading system
GHG	Greenhouse gas
ICAO	International Civil Aviation Organization
IDRs/NCs	Reports on the technical review of the national communications
IMO	International Maritime Organization
INDC	Intended Nationally Determined Contributions
LRs	Lead reviewers
LULUCF	Land use, land-use change and forestry
MBMs	Market-based mechanisms
MRV	Monitoring, reporting and verification
MS	member States
NA	Not applicable
NCs	National communications
NE	Not estimated
NC6s	Sixth national communications
NC7s	Seventh national communications
NF <sub>3</sub>	Nitrogen trifluoride
Non-Annex II Parties	Parties not included in Annex II to the Convention
OECD	Organisation for Economic Co-operation and Development
PaMs	Policies and measures
RPG	Review Practice Guidance
TRRs/BRs	Reports on the technical review of the biennial reports
t CO <sub>2</sub> eq	Tonnes of carbon dioxide equivalent
UNFCCC	United Nations framework convention on Climate Change
UNFCCC reporting	UNFCCC biennial reporting guidelines for developed country Parties guidelines on BRs
UNFCCC reporting guidelines on NCs	Guidelines for the preparation of national communications by Parties included in Annex I to the Convention, Part II: UNFCCC reporting guidelines on national communications

## I. Purpose and scope of the review practice guidance

1. The RPG 2016, encompassing review practice and approaches used by the ERTs during the reviews of the BR1s and sixth NCs of developed country Parties was compiled by the secretariat and endorsed by BR/NC LRs at their third meeting in March 2016. The RPG 2017 and RPG 2018 were based on the RPG 2016 and added the key review challenges faced by ERTs when reviewing BR2s in 2016. **The RPG 2020 is based on the RPG 2019 and includes review practice and approaches used by the ERTs during the reviews of the BR3s, BR4s and seventh NCs of developed country Parties agreed by LRs at their seventh meeting (held on 9 and 10 June 2020 in Bonn, Germany). It presents suggested approaches** to address the review challenges and reflects collective and cumulative NC and BR review practice gained during the reviews of BR1s/NC6s, BR2s and BR3s/NC7s.

2. The **RPG 2020** aims to improve consistency among the individual BR and NC reviews during a review cycle and across the review cycles. The **RPG 2020** does not aim to cover an exhaustive list of questions or concerns raised by the ERTs during the reviews, but rather focuses on the difficulties encountered in reviews, as observed by the review coordinators and the ERTs, and on the practices most commonly applied in such cases by the ERTs.

3. **The LRs of NCs and BRs, at their seventh meeting, recommended that the secretariat revise the RPG 2019 by incorporating the approaches agreed on at the same meeting. The LRs also agreed that the review approaches presented in the RPG 2020 would be applied by the ERTs in ongoing and future reviews.**

4. **Review challenges and suggested approaches are divided into four substantive sections, presented in chapters III–VI, namely cross-cutting issues, quantified economy-wide emission reduction target and progress in its achievement, provision of financial and technological support to developing country Parties, and Article 7, paragraph 2, of the Kyoto Protocol. The matters raised or fine-tuned during the BR3/NC7 reviews in 2019 are highlighted.**

5. Chapters III–V address issues that pertain largely to the reviews of both the BRs and the NCs, while two sections, namely (1) the description of reviewing how PaMs are modifying longer-term trends in anthropogenic GHG emissions and removals (IV.B) and (2) the description of contributions to the Adaptation Fund (IV.D), are largely relevant to the reviews of NCs only. Chapter VI on the topics linked to Article 7, paragraph 2, of the Kyoto Protocol is only relevant to the review of the NCs of Annex I Parties that are also Parties to the Kyoto Protocol.

## II. Dynamic nature of the review practice guidance

6. The RPG is meant to be a ‘living’ document supporting continuous improvement of consistency in BR and NC reviews. It will be updated after each BR (and NC) review cycle. The review coordinators will note any new challenges raised by ERTs and LRs during a review cycle. The approaches used to address these challenges will be collected, analysed and reflected in a draft new version of the RPG. The draft new version of the RPG will be presented, commented on and discussed at the relevant NC and BR LRs meeting. The comments made by the LRs will be incorporated into the new version of the RPG and used by the ERTs as a tool to facilitate consistency among the reviews.

7. The RPG is supported by analytical material presented as background papers. These papers are presented as annexes to the RPG. For the preparation of the RPGs 2016, 2017 and 2018 the following background papers<sup>1</sup> were prepared:

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<sup>1</sup> 2017 background papers are available here:  
[http://unfccc.int/national\\_reports/biennial\\_reports\\_and\\_jar/items/10059.php](http://unfccc.int/national_reports/biennial_reports_and_jar/items/10059.php).

- (a) Annex I. Biennial reports and national communications: review challenges and practice, 2016;
- (b) Annex II. (1) Analysis of further options to use the gradations “mostly” or “partially” in the assessment of completeness and transparency in biennial reports. 2016. (2) Update of the analysis of the assessment of completeness and transparency of information reported in biennial reports, 2017;
- (c) Annex III. Implications of changes in the UNFCCC annex I inventory reporting guidelines on the review of second biennial reports, 2016;
- (d) Annex IV. Biennial reports and reporting on domestic arrangements, 2017;
- (e) Annex V. Biennial reports and reporting on the use of the market-based mechanisms by the European Union and its member States, 2017;
- (f) Annex VI. Assessing progress by developed country Parties towards the emission reduction targets, 2017;
- (g) Annex VII. Challenges in reporting and analysing the provision of financial, technological and capacity-building support to developing country Parties, 2017;
- (h) Annex VIII. Multiple mandatory reporting requirements contained in the same paragraph of the UNFCCC biennial reporting guidelines for developed country Parties: Analysis of the experience from the technical reviews of the first and second biennial reports.
- (i) Annex IX. Assessment of Information Related to Impacts of Policies and Measures Reported in Technical Review Reports of Third Biennial Reports

### III. Review challenges and suggested approaches in relation to cross-cutting issues

<i>Review challenge</i>	<i>Suggested approach</i>
<b>A. Recommendations, encouragements and other review findings</b>	
1. How to choose between a recommendation and an encouragement	<ul style="list-style-type: none"> <li>• The basis for the recommendations or encouragements presented in the review reports should be the respective reporting guidelines:               <ol style="list-style-type: none"> <li>(a) A “shall” requirement is a mandatory requirement and, in case of problems, needs to be addressed through a recommendation;</li> <li>(b) A “should” requirement is not a mandatory requirement and, in case of problems, needs to be addressed through an encouragement;</li> <li>(c) A “may” or “could be” requirement is also not a mandatory requirement and leads to an encouragement;</li> <li>(d) Some “shall”, “should” or “may” requirements are followed by an expression such as “where feasible” or “to the extent possible”. If the Party has neither reported the information nor provided an explanation for not reporting or only partially reporting it, then this should lead to a recommendation/encouragement provided by the ERT, which should include the language of the reporting requirement (e.g. “The ERT recommends that/encourages..., where feasible”; or “The ERT recommends that/encourages..., to the extent possible”). The ERT should include in its findings any explanation or justification for information not reported provided by the Party either in its reports or during the review, especially owing to national circumstances that may have prevented/hindered the Party from reporting on the requirement (e.g. unavailability of data or resource constraints).</li> </ol> </li> </ul>
2. How to frame individual recommendations/ encouragements in the review reports	<ul style="list-style-type: none"> <li>• Recommendations and encouragements should closely reflect the language of the reporting guidelines and be concrete, factual and neutral, as well as easily traced back to the respective reporting guidelines. At the same time, they could be adapted to fit a particular finding in the context of the review of a particular Party.</li> </ul>
3. How to compile recommendations in the “Conclusions and recommendations” section of the review reports	<ul style="list-style-type: none"> <li>• The “Conclusions and recommendations” section should include all of the recommendations (referred to as “shall” requirements) that were provided by the ERT in the main body of the report.</li> <li>• The “Conclusions and recommendations” section should not include the encouragements (referred to as “should” and “may” requirements) that were provided by the ERT in the main body of the report.</li> </ul>
4. How to reflect additional information	<ul style="list-style-type: none"> <li>• Two types of additional information should be reflected in the recommendations and encouragements:</li> </ul>

<i>Review challenge</i>	<i>Suggested approach</i>
received from the Party in the recommendations and encouragements	<p>(a) Information that refers to future/anticipated developments;</p> <p>(b) Information that is provided by a Party to address gaps in its reporting.</p> <ul style="list-style-type: none"> <li>• The ERT can take note of future/anticipated developments in the review report and can provide guidance on how information thereon could be included in subsequent submissions, but there should not be any recommendation or encouragement provided in this regard.</li> <li>• The ERT should provide a recommendation or an encouragement, as appropriate, for the Party to include in its subsequent NC or BR any additional information provided during the review that addresses reporting gaps or issues identified during the review.</li> </ul>
5. How to reflect findings on reported information that is indirectly linked to the reporting requirements	<ul style="list-style-type: none"> <li>• For “shall” requirements, the ERT should provide a recommendation, and for “should” or “may” requirements the ERT should provide an encouragement.</li> <li>• For all other findings not linked to a specific requirement of the reporting guidelines, the ERT should use the verbs “note” or “consider”; for example: “The ERT considers that Party X ...”; or “The ERT notes that Party Y ...”.</li> </ul>
6. When can the ERT commend the Party?	<ul style="list-style-type: none"> <li>• The ERT can commend a Party only for reporting relevant information going beyond the reporting requirements. A clear example of such a case is reporting on support by non-Annex II Parties. Another example could be when Parties report detailed descriptions of their methodologies used to estimate the impacts of PaMs.</li> <li>• To recognize improvements in reporting, the ERT can note significant improvements compared with the previous round of reporting and the thorough implementation of all previous recommendations and encouragements to improve the completeness and transparency of the reporting.</li> </ul>
7. Can the ERT recommend the use of notation keys?	<ul style="list-style-type: none"> <li>• The use of notation keys is not prescribed in the reporting guidelines. Therefore, the ERT cannot recommend that the Party use notation keys. <ul style="list-style-type: none"> <li>• Instead, the ERT may consider using, for example, the following phrases: <ul style="list-style-type: none"> <li>(a) “The ERT considers that the transparency of the reporting could be improved by indicating in the table “NA” ...”;</li> <li>(b) “Transparency could be improved, for example, by using the notation key “NA” ...”.</li> </ul> </li> </ul> </li> </ul>
8. How to review cross-references to other information reported by a Party?	<ul style="list-style-type: none"> <li>• Reporting of cross-references by a Party is acceptable providing that sufficient transparency is maintained in the submission. When a Party provides a reference to an external document, the ERT should ensure that: <ul style="list-style-type: none"> <li>(a) For qualitative information, there is a minimum summary in the NC/BR to enable the reader to understand the content of the reference and how it relates to the reporting requirement;</li> <li>(b) The reference is publicly available (except confidential information), and any weblinks are active and relevant;</li> <li>(c) The reference includes, as appropriate, the section and/or page number where underlying information can be found;</li> </ul> </li> </ul>

<i>Review challenge</i>	<i>Suggested approach</i>
	<p>(d) The underlying information responds to the reporting requirement;</p> <p>(e) If the underlying information is necessary for ensuring a Party has met a reporting requirement, and that information is not in a UN language, the Party is able to summarize the information contained therein, in English.</p> <ul style="list-style-type: none"> <li>• If based on this analysis the ERT determines that the reference does not contain the information to satisfy the reporting requirement, this is a recommendation/encouragement on completeness.</li> <li>• If the underlying information is relevant but is difficult to find or understand how it meets the reporting requirement, this is a recommendation/encouragement on transparency.</li> </ul>

**B. Consistency between TRRs and IDRs when reviewing the BR and NC in conjunction**

How to ensure the consistency of recommendations and encouragements when reviewing the BR and NC in conjunction

- Where the reporting requirements are the same for the NCs and the BRs (e.g. the GHG inventory and projections), the TRR should not necessarily repeat all of the information included in the IDR; a short summary could be adequate.
- Where the reporting requirements are the same for the NCs and the BRs (e.g. the GHG inventory and projections), the findings presented in the TRR, and in particular in the “Recommendations and conclusions” section, should be fully consistent with those in the IDR, except for cases where the Party has provided inconsistent information in its NC and BR.
- Where the reporting requirements for BRs are similar to those for NCs but not the same (e.g. PaMs and financial and technological support), the language used for the recommendations/encouragements could differ as it should be fully aligned with the respective reporting guidelines.

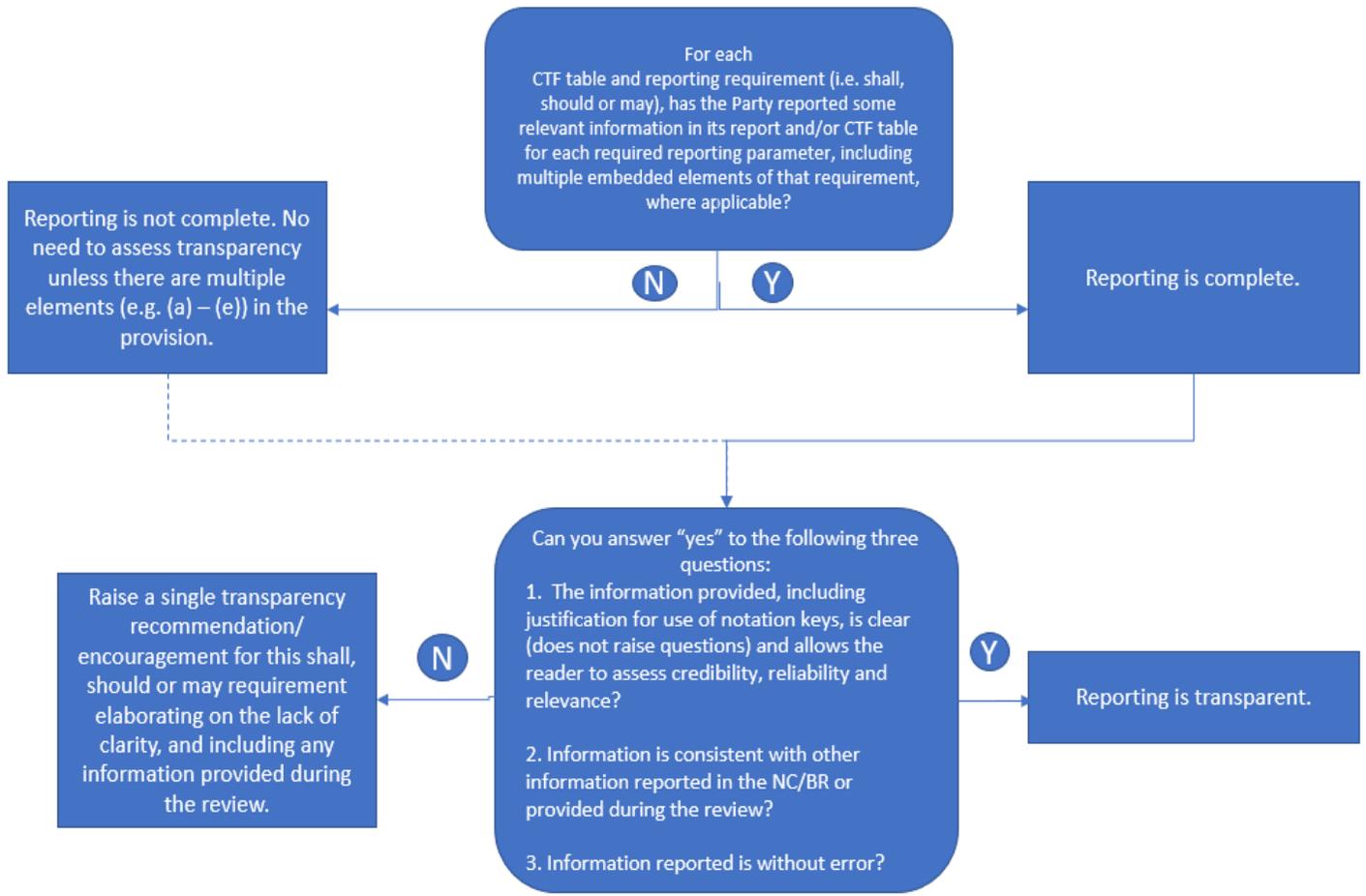
**C. Assessment of completeness and transparency**

1. How to distinguish between completeness and transparency

- The ERT should treat completeness issues independently from transparency issues and should therefore always provide separate recommendations/encouragements for completeness and for transparency in relation to each reporting requirement.
- If a requirement has not been addressed, this is an issue of completeness and not of transparency (even though missing information might also lead to a lack of transparency); if a requirement has multiple embedded elements (e.g. (a) to (e)) each element must be reported, otherwise this is an issue of completeness.
- The ERT should always assess the completeness and transparency of the information provided for a particular requirement in two separate steps:
  - (a) The ERT should assess the completeness of the reported information;
  - (b) The ERT should assess the transparency of the reported information.
- To assess whether information is complete and/or transparent, the ERT may follow these steps:

<i>Review challenge</i>	<i>Suggested approach</i>
	<ul style="list-style-type: none"> <li>(a) If the information reported by the Party corresponds fully to the particular reporting requirement of the guidelines, then this information should be considered complete;</li> <li>(b) If the information reported by the Party does not give rise to questions and allows the reader to assess its credibility, reliability and relevance, then this information should be considered transparent. Information should also be considered transparent if the elements necessary for its understanding are all provided in an open, clear and factual manner.</li> <li>(c) Failure to explain use of notation keys, inconsistencies within the NC/BR and/or between the text of the NC/BR and the CTF tables, and errors in the numbers presented in the NC/BR or accompanying CTF tables, are issues of transparency.</li> </ul> <ul style="list-style-type: none"> <li>• The figure 1 below translates the guidance above into a decision tree to distinguish between an issue of completeness and an issue of transparency.</li> </ul>

Review challenge	Suggested approach
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*Figure 1. How to distinguish between an issue of completeness and an issue of transparency*

<i>Review challenge</i>	<i>Suggested approach</i>
<p>2. How to assess the completeness and transparency of the BR CTF tables</p>	<ul style="list-style-type: none"> <li>• Providing information in the BR CTF tables is a mandatory reporting requirement.</li> <li>• Gaps identified in the BR CTF tables might not necessarily signify incomplete reporting, provided that they are adequately explained by the Party as being due to national circumstances.</li> <li>• When a Party has not reported some information in the CTF tables, the ERT should clarify why the Party did not provide such information and, if relevant, clarify whether any national circumstances prevented the Party from fulfilling the reporting requirement.</li> <li>• When the information provided in response to the clarification is relevant, credible and transparent, the ERT can summarize the Party’s explanation in the TRR, together with a relevant recommendation on addressing the reporting gap for its next NC/BR.</li> </ul>
<p>3. How to assess inconsistency between the textual part of the BR and the BR CTF tables</p>	<ul style="list-style-type: none"> <li>• When the reporting guidelines request that information be reported as a mandatory requirement in textual and tabular format, but the information is reported solely in the textual part of the BR and not in the CTF tables, or vice versa, the ERT should make a recommendation on transparency.</li> <li>• When there is inconsistency between the information relating to the same reporting requirement reported in the textual part of the BR and in the CTF tables, the ERT should make a recommendation/encouragement on transparency, as appropriate.</li> </ul>
<p>4. How to assess completeness and transparency as “mostly” or “partially”</p>	<ul style="list-style-type: none"> <li>• The assessment by the ERT of completeness and transparency should be based on four gradations: (1) complete or transparent; (2) mostly complete or mostly transparent; (3) partially complete or partially transparent; and (4) not complete or not transparent.</li> <li>• The ERT should use the checklist (provided by the review coordinator from the UNFCCC secretariat) to ensure that all mandatory reporting requirements (i.e. “shall” reporting requirements) have been addressed.</li> <li>• The identification of issues and the related assessment of completeness and transparency by the ERT should be based only on the “shall” reporting requirements contained in each section of the NC/BR.</li> <li>• All mandatory (“shall”) reporting requirements should be treated equally by the ERT and an ‘expert’s weighting factor’ should not be applied as that could imply that some “shall” requirements are more important than others.</li> <li>• One “shall” requirement should trigger only one recommendation on completeness and/or one recommendation on transparency. This principle should be applied even if the “shall” requirement contains more than one specific reporting parameter. The exceptions to this principle are:               <ul style="list-style-type: none"> <li>(a) Where one “shall” requirement contains an additional mandatory reporting requirement, such as in the case of the reporting of projections;</li> <li>(b) Where the same paragraph of the UNFCCC reporting guidelines on BRs contains multiple mandatory reporting requirements which are interdependent, namely, paragraphs 6, 14, 15, 17 and 22 (see suggested approach described under the review challenge C.6 below.)</li> </ul> </li> </ul>

<i>Review challenge</i>	<i>Suggested approach</i>
	<ul style="list-style-type: none"> <li>• To ensure consistency across TRRs and IDRs and across subsequent review cycles, the ERT should use the completeness and transparency assessment scoreboards, presented below, to distinguish between an assessment of “mostly” or “partially”. However, the ERT should continue to apply a qualitative assessment in its expert judgement in order to make a final determination on the level of completeness and transparency.</li> <li>• In cases where the assessment of completeness and transparency goes beyond the suggested approach, the ERT should substantiate its findings and rationale for the gradations used, which could, in turn, also be used to fine-tune the assessment scoreboard.</li> </ul>

**Completeness and transparency assessment scoreboard for biennial reports**

<i>BR section</i>	<i>Number of mandatory requirements in the UNFCCC reporting guidelines on BR</i>	<i>Number of missing mandatory requirements found by the ERT</i>	<i>Assessment of the completeness and transparency of the BR section</i>
GHG emissions and removals	2	1	Mostly complete/transparent
		2	Partially complete/transparent
Assumptions, conditions and methodologies related to the emission reduction target	2	1	Mostly complete/transparent
		2	Partially complete/transparent
Progress in achievement of the emission reduction target including projections	14	1–4	Mostly complete/transparent
		5–13	Partially complete/transparent
Provision of support to developing country Parties	15	1–3	Mostly complete/transparent
		4–15	Partially complete/transparent

<i>Review challenge</i>	<i>Suggested approach</i>		
<b>Completeness and transparency assessment scoreboard for national communications</b> (Note: The scorecard below is based on 4/CP.5 and will be updated in 2021/2022 to reflect the revised NC reporting guidelines as contained in 6/CP.25)			
<i>NC section</i>	<i>Number of mandatory requirements in the UNFCCC reporting guidelines on NCS</i>	<i>Number of missing mandatory requirements found by the ERT</i>	<i>Assessment of completeness and transparency of the NC section</i>
Executive summary	2	1–2	Expert judgment
National circumstances	2	1	Mostly complete/transparent
		2	Partially complete/transparent
GHG inventory	2	1	Mostly complete/transparent
		2	Partially complete/transparent
PaMs	5	1–2	Mostly complete/transparent
		3–5	Partially complete/transparent
Projections and the total effect of PaMs	11	1–3	Mostly complete/transparent
		4–11	Partially complete/transparent
Vulnerability assessment, climate change impacts and adaptation measures	1	1	Expert judgment
Financial resources and transfer of technology	10	1–3	Mostly complete/transparent
		4–10	Partially complete/transparent
Research and systematic observation	4	1–2	Mostly complete/transparent
		3–4	Partially complete/transparent
Education, training and public awareness	1	1	Expert judgment

**Completeness and transparency assessment scoreboard for supplementary information under the Kyoto Protocol** (Note: The scorecard below is based on 4/CP.5 and will be updated in 2021/2022 to reflect the revised NC reporting guidelines as contained in 6/CP.25)

<i>Supplementary information under the Kyoto Protocol</i>	<i>Number of mandatory requirements in the reporting guidelines for supplementary information under the Kyoto Protocol</i>	<i>Number of missing mandatory requirements found by the ERT</i>	<i>Assessment of completeness and transparency of the NC section</i>
National system	3	1	Mostly complete/transparent
		2–3	Partially complete/transparent
National registry	2	1	Mostly complete/transparent
		2	Partially complete/transparent
Supplementarity relating to the mechanisms pursuant to Articles 6, 12 and 17	1	1	Expert judgment
PaMs in accordance with Article 2	4	1–2	Mostly complete/transparent
		3–4	Partially complete/transparent
Domestic and regional programmes and/or arrangements and procedures	3	1	Mostly complete/transparent
		2–3	Partially complete/transparent
Information under Article 10	2	1	Mostly complete/transparent
		2	Partially complete/transparent
Financial resources	4	1–2	Mostly complete/transparent
		3–4	Partially complete/transparent
Minimization of adverse impacts in accordance with Article 3, paragraph 14	3	1	Mostly complete/transparent
		2–3	Partially complete/transparent

<i>Review challenge</i>	<i>Suggested approach</i>
	<p><i>Note:</i> In cases where the number of missing mandatory requirements is equal to the number of mandatory requirements from the UNFCCC reporting guidelines on BRs, NCs and supplementary information, the ERTs should decide whether to assess the respective section of the BR or NC as partially complete/transparent or not complete/transparent.</p>
5. How to assess the non-provision of an element of a mandatory reporting requirement in which the clause “where appropriate” is used	<ul style="list-style-type: none"> <li>• If a Party does not substantiate in its report the non-provision of an element of a mandatory reporting requirement in which the clause “where appropriate” is used, the ERT should request clarification of the issue during the review and reflect the answer provided in the TRR. Lack of reporting on a given element does not necessarily lead to a recommendation by the ERT.</li> </ul>
6. How to assess multiple mandatory reporting requirements contained in the same paragraph of the UNFCCC reporting guidelines on BRs?	<ul style="list-style-type: none"> <li>• In cases where Parties do not provide complete and transparent information on more than one of the mandatory reporting requirements contained in the same paragraph of the UNFCCC reporting guidelines on BRs (namely, paragraphs 6, 14, 15, 17 and 22), the ERTs should make one recommendation that covers all reporting requirements. The recommendation should identify and clearly describe the missing mandatory reporting parameters or information. The ERTs should avoid making a single recommendation that addresses mandatory reporting requirements from different paragraphs.</li> <li>• Regarding the overall assessment of the completeness and transparency of individual sections of the BR, the ERTs should continue to use the completeness and transparency assessment scoreboard from the RPG (see item C.4 above). However, in addition to using this scoreboard, the ERTs should apply expert judgment to make a final decision on the level of completeness and transparency, considering the scope of missing, incomplete or not transparent information on the mandatory requirements, including reporting parameters pertaining to paragraphs 6, 14, 15, 17 and 22, of the UNFCCC reporting guidelines on BRs.</li> </ul>
<b>D. Resubmissions</b>	
How to review resubmissions of the BR and BR CTF tables	<ul style="list-style-type: none"> <li>• According to the UNFCCC guidelines for the technical review of biennial reports from Annex I Parties, paragraph 108, Parties can submit additional information two weeks after the review week for consideration by the ERT (“If additional information is requested during the review week, the Annex I Party should make every reasonable effort to provide the information within two weeks after the review week”).</li> <li>• If the resubmission is made later than two weeks after the review week, the ERT should note the resubmission in the TRR without undertaking any technical examination.</li> <li>• If the resubmission is made within two weeks after the review week, the ERT should note the resubmission in the TRR, examine it and present the results of the analysis in order to include the updated information, to the extent possible, in the TRR. The ERT may ask the Party to clearly identify the changes made to the original submission.</li> </ul>

<i>Review challenge</i>	<i>Suggested approach</i>
<b>E. GHG inventory data</b>	
<p>Which GHG inventory data should be included in the TRR and in the IDR?</p>	<ul style="list-style-type: none"> <li>• The ERTs should include in the sections of the TRR and IDR titled “Information on GHG arrangements, emissions, removals and trends” the historical GHG emission data from the latest available (at the time of the review week) official GHG inventory submission. The ERTs should note (in the TRR and IDR) the status of that submission and highlight if it is a different version to that of the GHG inventory used for the BR and NC as well as note if it has been reviewed or not.</li> <li>• The ERTs should also note (in the TRR and IDR) any substantive differences between the trends presented in the latest version of the GHG inventory and those reported in the BR and NC. Substantive differences may have an impact on the projected estimates and assessment of the progress towards the target in the BR.</li> <li>• The ERTs should include in the section of the TRR and IDR titled “Projections” historical emission trends reported by the Party in its BR and NC.</li> </ul>

## IV. Review challenges and suggested approaches in relation to quantified economy-wide emission reduction target and progress in its achievement

<i>Review challenge</i>	<i>Suggested approach</i>
<b>A. GHG emission projections</b>	
<p>1. How to review GHG emissions projections for the EU ETS and non-ETS sectors</p>	<ul style="list-style-type: none"> <li>• The EU MS mostly present their projections in accordance with the sectoral categories identified in the UNFCCC reporting guidelines on NCs.</li> <li>• The ERT can note the usefulness of reporting separately projections for emissions covered by the ETS and ESD sectors, however as per the reporting guidelines, the ERT cannot recommend/encourage that the EU MS report separate projections for emissions covered by the ETS and ESD sectors. <ul style="list-style-type: none"> <li><b>Example:</b> the ERT could state in the review report: “Party Z’s reporting on GHG emission projections is complete and transparent. The ERT notes that presenting separate projections for emissions from sectors covered by the ETS and the ESD would further fa the assessment of whether Party Z is on track to achieving its target.”</li> </ul> </li> <li>• The ERT should reflect in sections II.C and II.C.3 of the TRR whether the Party provided projections for 2020 and 2030 separately for the ETS and non-ETS sectors.</li> </ul>
<p>2. How to treat a reporting requirement to present on a gas-by-gas basis the ‘with additional measures’ projections</p>	<ul style="list-style-type: none"> <li>• According to paragraph 28 of the UNFCCC reporting guidelines on NCs, reporting ‘with additional measures’ projections is a “may” requirement; however, according to paragraph 35 of those guidelines, if the WAM projections were reported, presenting the projections by gas is a “shall” reporting requirement.</li> <li>• The ERT should first establish whether the Party reported the ‘with additional measures’ projections and, if such projections were not reported and the Party has reported planned PaMs, the ERT should formulate an encouragement for the Party to report a WAM scenario in its next submission. However, if the WAM projections were reported, the ERT should check whether they were presented on a gas-by-gas basis. If the WAM scenario was not presented on a gas-by-gas basis, the ERT should make a recommendation on completeness.</li> </ul>
<p>3. How to review projections of GHG emissions from international aviation and maritime transport not being reported separately</p>	<ul style="list-style-type: none"> <li>• According to paragraph 36 of the UNFCCC reporting guidelines on NCs, reporting GHG emission projections related to fuel sold to ships and aircraft engaged in international transport (“international bunker fuels”) separately and not including them in the national totals is a “shall” reporting requirement to be carried out “to the extent possible”.</li> <li>• The ERT should formulate a recommendation for the Party to report those projections separately, to the extent possible.</li> </ul>
<p>4. How to review consistency between</p>	<ul style="list-style-type: none"> <li>• In accordance with paragraph 34 of the UNFCCC reporting guidelines on NCs, Parties shall present their projections on a sectoral basis to the extent possible. In accordance with paragraph 35 of those guidelines, Parties shall present the projections on a gas-by-</li> </ul>

<i>Review challenge</i>	<i>Suggested approach</i>
trends, projections and target with regard to the inclusion of LULUCF and NF <sub>3</sub>	<p>gas basis. The revised UNFCCC reporting guidelines on annual inventories for Annex I Parties (decision 24/CP.19) introduced the reporting of NF<sub>3</sub>.</p> <ul style="list-style-type: none"> <li>• The following cases could occur:               <ol style="list-style-type: none"> <li>(a) A Party reports on LULUCF in relation to GHG emission trends and does not include LULUCF in the projections when LULUCF is not included in its target. The Party is required to report projections for each sector irrespective of whether the sector is included in its target. The ERT should recommend that the Party include projections for the missing sector (e.g. LULUCF), to the extent possible;</li> <li>(b) A Party reports on NF<sub>3</sub> in relation to GHG emission trends and does not include NF<sub>3</sub> in the projections when NF<sub>3</sub> is included in its target. Reporting projections of NF<sub>3</sub> is currently not a mandatory requirement. The ERT should take note that including NF<sub>3</sub> in the projections when NF<sub>3</sub> is included in the target would increase the transparency of the reporting.</li> </ol> </li> </ul>
5. How to assess the lack of a WAM scenario when a Party has no planned measures	<ul style="list-style-type: none"> <li>• According to paragraph 28 of the UNFCCC reporting guidelines on NCs, Parties may provide a “with additional measures” projection. According to paragraph 29 of those guidelines, a “with additional measures” projection encompasses planned policies and measures, in addition to those currently implemented and adopted.</li> <li>• Since reporting a “with additional measures” scenario that does not encompass planned policies and measures would trigger a paragraph 29 recommendation, ERTs should not make an encouragement for a Party to provide a “with additional measures” projection when the Party has no planned policies and measures.</li> </ul>
6. How to assess the lack of complete set of historical data about key underlying assumptions and variables used for projections in the CTF table 5?	<ul style="list-style-type: none"> <li>• According to paragraph 47 of the UNFCCC reporting guidelines on NCs, Parties should report information about key underlying assumptions and values of variables such as GDP growth, population growth, tax levels and international fuel prices. According to footnotes (a) and (b) to the CTF table 5, Parties should include key underlying assumptions as appropriate and should include historical data used to develop the GHG projections reported, respectively.</li> <li>• The following cases could occur:               <ol style="list-style-type: none"> <li>(a) Party did not provide data on any variable/assumption for historical years in the BR and CTF table 5 (table is empty) and did not provide an adequate explanation in the custom footnote to CTF table 5 or in the textual part of the BR. This is a completeness issue that leads to an encouragement with reference to para 47 and stating CTF table 5 in findings;</li> <li>(b) Relevant cells for historical data are empty in CTF table 5 but the Party provided an adequate explanation in the custom footnote to CTF table 5 and/or in the textual part of the BR (e.g. modelling did not take into account data for historical years when preparing projections, but it did take into account future years). The ERT should take note that the transparency of reporting could be further improved by using the notation key "NA" (not applicable) for historical years in CTF table 5 (see general rule for applying notation keys in section III.A. 7 above);</li> </ol> </li> </ul>

<i>Review challenge</i>	<i>Suggested approach</i>
	<ul style="list-style-type: none"> <li>(c) Party provided data in the BR but not in the CTF table 5 (table is empty). This is a transparency issue that leads to an encouragement with reference to para. 47 and stating CTF table 5 in findings;</li> <li>(d) Party provided data only for some historical years used for modelling and left other cells empty without an adequate explanation in the custom footnote to CTF table 5 and/or in the textual part of the BR. This is a transparency issue that leads to an encouragement with reference to para. 47 and stating CTF table 5 in findings.</li> </ul> <ul style="list-style-type: none"> <li>• In cases (a), (c) and (d) above, the ERT should include in its findings any explanation or justification for missing historical data about key underlying assumptions and variables used in the projection analysis in the CTF table 5, provided by the Party during the review.</li> </ul>
7. How to assess the cut-off date for currently implemented and adopted PaMs used for preparation of WEM projections?	<ul style="list-style-type: none"> <li>• According to paragraph 29 of the UNFCCC reporting guidelines on NCs, a “with measures” projections shall encompass currently implemented and adopted PaMs; a “with additional measures” projections also encompasses planned PaMs.</li> <li>• The cut-off date for currently implemented and adopted PaMs that are used for preparation of a “with measures” projections should be addressed in the context of the timing of preparation of projections that starts earlier in the overall BR/NC preparation and, consequently, might not include some PaMs that changed their status from planned to implemented or adopted during the period when projections are under preparation.</li> <li>• The ERT should check which implemented and adopted PaMs were not included in WEM projections based on information in the CTF table 3 and in case that such PaMs exist, it should seek further clarification from the Party on the cut-off date for currently implemented and adopted PaMs used for WEM projections. This information should be reflected in the part related to description of methodology and assumptions in the projections chapter of the TRR/IDR. The ERT should also take note that the transparency of reporting could be further improved by including this information in the next BR submission.</li> </ul>

**B. Mitigation action and their effects**

1. How should the ERT formulate its findings when the quantified estimate of mitigation impact (not cumulative) of individual mitigation actions in 2020 and any other optional years deemed relevant by the Party is not

- The following cases could occur:
  - (a) Relevant cells in CTF table 3 are empty and the Party did not provide an adequate explanation in the custom footnote to CTF table 3 or in the textual part of the BR. This is a completeness issue that leads to a recommendation;
  - (b) Relevant cells in CTF table 3 are empty but the Party provided an adequate explanation in the custom footnote to CTF table 3 and/or in the textual part of the BR as to why the mitigation impacts of individual mitigation actions could not be estimated. The ERT should take note that the transparency of reporting could be further improved by providing estimates or using the notation key “NE” in CTF table 3 with an explanation (see section III.A.7. above for further explanation of the use of notation keys);

<i>Review challenge</i>	<i>Suggested approach</i>
reported in CTF table 3?	<p>(c) Notation keys or the value “0” are reported in CTF table 3, but the Party did not provide an adequate explanation or justification for its use in the custom footnote to CTF table 3 or in the textual part of the BR. This is a transparency issue that leads to a recommendation;</p> <p>(d) An estimate of mitigation impact is reported in CTF table 3 for a group of mitigation actions, but the Party did not provide an adequate explanation in the custom footnote to CTF table 3 or in the textual part of the BR as to <b>which individual PaMs are included in the group and</b> why mitigation impacts are estimated only for a group of mitigation actions and not for each individual mitigation action. The ERT should take note that the transparency of reporting could be further improved by providing an explanation as to why mitigation impacts could be estimated only for a group of mitigation actions and not for each individual mitigation action;</p> <p>(e) The cumulative impact of mitigation action is provided in CTF table 3 (e.g. for the period 2015–2020 and not only for 2020), which means that the mitigation impact is likely to be overestimated. This is a transparency issue that leads to a recommendation;</p> <p>(f) The notation key “NE” or the value “0” is reported in CTF table 3 for year 20XX for a mitigation action that was adopted but will be implemented after 20XX. The ERT should take note that the transparency of reporting could be further improved by using the notation key “NA” (not applicable) with an explanation instead of using the notation key “NE” or the value “0”.</p> <ul style="list-style-type: none"> <li>• In cases (a)–(f) above, the ERT should include in its findings any explanation or justification for missing estimate of mitigation impacts for individual mitigation actions and/or the use of notation keys and/or providing estimates for a group of mitigation actions, provided by the Party in the textual part of the BR and/or in CTF table 3 or during the review, especially owing to national circumstances that may have prevented/hindered the Party from reporting on this requirement and/or the non-quantifiable nature of mitigation actions (e.g. public awareness, education, research).</li> <li>• <b>Example:</b> <p>The ERT noted that the Party used the notation key “NE” for quantified mitigation impacts for some of its mitigation actions in CTF table 3 and in table X in the textual part of the BR3, and no explanation was provided as to why the impacts of mitigation actions were not estimated.</p> <p>During the review, the Party explained that a quantitative estimate of mitigation impact was provided for the measures for which the necessary input data to perform the calculation had been received from the responsible ministries. However, the quantitative estimate of the mitigation impact of measures such as taxation measures, as well as certain regulatory measures, is difficult owing to the lack of an adequately elaborated methodology and a sufficiently long time series characterizing the impacts of such measures.</p> <p>The ERT recommends that the Party include in its next BR information on missing estimates of the mitigation impacts of its mitigation actions in CTF table 3 or provide adequate explanation/justification for using the notation key “NE” in the textual</p> </li> </ul>

<i>Review challenge</i>	<i>Suggested approach</i>
	part of the BR, explaining why this may not be possible owing to its national circumstances in accordance with information provided during the review.
2. Is the provision of estimates of the effects of PaMs for particular years (e.g. 2015, 2020 and 2030) sufficient to substantiate how PaMs are modifying longer-term emission trends?	<ul style="list-style-type: none"> <li>• The provision of estimates for the effects of individual or all PaMs for particular years cannot adequately capture the general direction in which national emissions are developing or changing and the ERT should recommend that the Party provide further information in its next NC.</li> <li>• The ERT should consider the reported information complete if the Party complemented the quantitative information on the effects of PaMs with textual information and further explanations based on its national circumstances, overall climate strategy and planned actions. The textual information can, for example, include relevant elements from a Party’s 2050 emission reduction or sustainable development strategy, and a discussion of policies that have structural effects, affect common practices and have long-term impacts, such as PaMs that address infrastructure (e.g. energy efficiency in buildings) and PaMs linked to urban planning, including in the waste sector (e.g. recycling versus landfilling) or in the energy sector (e.g. the shift to gas and the elimination of nuclear power plants).</li> <li>• If the NC does not include a specific discussion on longer-term trends as indicated above, the ERT should provide a recommendation to this effect. <ul style="list-style-type: none"> <li><b>Example:</b> “The ERT noted that, while Party Y did not explicitly state in its NC6 how it believes its PaMs are modifying longer-term trends in GHG emissions, many of the PaMs reported are expected to have lasting effects on such trends, as suggested in the projections for 2050. The ERT recommends that Party Y explain specifically how its PaMs are expected to modify GHG emissions in the longer term in its next NC.”</li> </ul> </li> </ul>
3. How to assess a significant difference in the estimates of the mitigation effects of the same PaMs in 2020 reported in the BR compared with the previous BR/NC	<ul style="list-style-type: none"> <li>• If the ERT identifies a significant difference in the information reported on the mitigation effects of the same PaMs in two consecutive submissions without explanation in the BR, the ERT should clarify with the Party the reasons for such a difference, recognizing that the estimates of mitigation effects could have been revised and that PaMs may evolve over time. Differences could be due to changes in methods, assumptions or national circumstances or other factors influencing the estimation of the effects of mitigation actions.</li> <li>• The ERT may take note of such differences and the reasons behind them and record this information in the TRR.</li> </ul>
4. How to review information under paragraphs 3, 7 and 24 of the UNFCCC reporting guidelines on BRs on domestic	<ul style="list-style-type: none"> <li>• The scope of the requirements to report on institutional arrangements under paragraphs 3, 7 and 24 of the UNFCCC reporting guidelines on BRs may be interpreted as overlapping.</li> <li>• The ERT should review whether information addressing each of the paragraphs has been reported, recognizing that information on national inventory arrangements pertains to GHG emissions and trends (para. 3), information on changes in domestic compliance, MRV and evaluation of progress (para. 7) pertains to mitigation actions and evaluation of progress made towards targets, and information on self-assessment of compliance with emission reduction commitments (para. 24) pertains to information on targets.</li> </ul>

<i>Review challenge</i>	<i>Suggested approach</i>
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| institutional arrangements | <ul style="list-style-type: none"> <li>• The ERT should review the information, recognizing that the information reported on national inventory arrangements (para. 3) should be consistent with the national inventory report of the GHG inventory submission.</li> <li>• The ERT should review the information on arrangements for domestic compliance, MRV and evaluation of progress (para. 7) while noting the potential overlap with the information on self-assessment of compliance with emission reduction commitments (para. 24), because the technical essence of the two reporting requirements (paras. 7 and 24) is not precisely defined and Parties may report the same or differing information on the national legal, institutional and administrative systems set up to address the relevant objectives.</li> <li>• If the same information has been reported for the three requirements or if no information was reported, the ERT should clarify with the Party how the information reported corresponds to the three reporting requirements or why information was not reported and should provide a relevant recommendation/encouragement depending on which requirement was not addressed.</li> <li>• The table below provides summary information comparing the reporting requirements of paragraphs 3, 7 and 24.</li> </ul> |
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	<b>Paragraph 3</b>	<b>Paragraph 7</b>	<b>Paragraph 24</b>
<b>Type of requirement</b>	Shall	Shall	Encouragement to the extent possible
<b>Type of information</b>	Summary information, plus changes	Changes	Detailed information
<b>Scope</b>	Each Annex I Party	Each Annex I Party	Annex I Parties – implies collective responsibility
<b>Topic</b>	National inventory	Mitigation actions and their effects and progress made towards target	Other (compliance with emission reduction commitments and rules)
<b>Arrangements for</b>	Reporting, archiving information and estimating emissions	Domestic compliance, monitoring, reporting, archiving information and evaluation of progress towards target	Self-assessment of compliance with emission reduction commitments or with reductions required by science (plus progress made in establishing rules against domestic non-compliance)

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| 5. How to review information only on the new PaMs implemented or | <ul style="list-style-type: none"> <li>• According to paragraph 6 of the UNFCCC reporting guidelines on BRs, a Party shall report on its mitigation actions, including on the PaMs it has implemented or plans to implement since its last NC or BR to achieve its economy-wide emission reduction target. The reporting should be clear and, if the Party reported only on new PaMs, it should provide reference to the previous NCs/BRs where the previously existing mitigation actions are described.</li> </ul> |
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<i>Review challenge</i>	<i>Suggested approach</i>
planned since the previous NC/BR	<ul style="list-style-type: none"> <li>• The ERT should check and verify the references to previous NCs/BRs and ensure that the reported PaMs are indeed new and complementary to those reported in previous NCs/BRs.</li> <li>• If the BR reports only new PaMs and lacks a reference to the previous NC/BR, the ERTs should make a recommendation to the Party that it improve the completeness of its reporting by including in the next BR complete and consistent information on all PaMs that were put in place to achieve the target, either referencing transparently the complementary list of PaMs in previous NC/BRs or providing a complete set of PaMs.</li> </ul>
6. How to assess the reporting of PaMs as planned for the purposes of projections, but have since been implemented or adopted?	<ul style="list-style-type: none"> <li>• A Party could consider a PaM that has been implemented or adopted to be planned for the purposes of projections due to the timing of when the projections were prepared. In the PaMs reporting, this could be identified when planned PaMs are reported with an implementation date in the past. In instances where this occurs, Parties should both identify that this has been done and provide an explanation regarding the purpose. This could be done in either the textual portion of the BR or a footnote to CTF table 3. In cases where the explanation is missing or not sufficient, ERTs should raise a transparency recommendation related to paragraph 6 of the BR reporting guidelines.</li> <li>• Inconsistencies in reporting the status of a PaM between the PaMs chapter in the textual portion of the BR and CTF table 3 should be addressed as described in III.C.3 above.</li> </ul>
7. Do Parties need to report all PaMs in the textual portion of the BR or CTF table 3?	<ul style="list-style-type: none"> <li>• Parties do not need to report every PaM that impacts GHG emissions in the BR and CTF table 3. At a minimum, PaMs that have the most significant impact on emissions reductions should be reported. ERTs could ask Parties how they decided which PaMs to report to help inform their evaluation of the completeness of the reporting.</li> <li>• Inconsistencies in reporting the information related to a PaM between the PaMs chapter in the textual portion of the BR and CTF table 3 should be addressed as described in III.C.3 above, noting that a more extensive list of PaMs in CTF table 3 should not be considered an inconsistency.</li> </ul>
8. Do Parties need to report PaMs that impact sectors not in their target?	<ul style="list-style-type: none"> <li>• According to paragraph 6 of the UNFCCC reporting guidelines on BRs, each Annex I Party shall provide information on its mitigation actions, including on the policies and measures it has implemented or plans to implement since its last NC or NR <b>to achieve its economy-wide emission reduction target</b>. Parties that do not report PaMs related to a sector not included in their target (i.e. LULUCF) should not receive recommendations or encouragements related to this. ERTs could consider commending Parties that report on PaMs related to a sector not included in their target.</li> </ul>
<b>C. The EU 2020 target</b>	
1. How should the EU 2020 target be described? If the target is not clearly	<ul style="list-style-type: none"> <li>• The ERT should reflect in the TRR whether the Party provided a description of how the EU target translates into its national target for emissions not covered by the EU ETS in terms of t CO<sub>2</sub> eq.</li> </ul>

<i>Review challenge</i>	<i>Suggested approach</i>
presented, is it an issue of transparency?	<ul style="list-style-type: none"> <li>• If the BR does not include such a description, the ERT could note this in section II.C of the TRR: “The ERT noted that a description by Party X in its next BR of how the EU target translates into its national target for emissions not covered by the EU ETS in terms of t CO<sub>2</sub> eq would increase the transparency of the reporting on the target.”</li> </ul>
2. How should the EU member States describe their 2020 target, as part of the joint EU target under the Convention, in CTF table 2(b) related to the base year for GHGs?	<ul style="list-style-type: none"> <li>• The EU member States are committed to contributing to the achievement of the joint EU economy-wide emission reduction target under the Convention of 20 per cent below the 1990 (base year) level by 2020. The target for the EU and its member States is formalized in the EU 2020 climate and energy package. The legislative package regulates emissions of CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs and SF<sub>6</sub> using GWP values from the AR4 to aggregate the GHG emissions of the EU until 2020. Emissions and removals from the LULUCF sector are not included in the quantified economy-wide emission reduction target under the Convention.</li> <li>• The ERT should check whether the EU member States have included any year other than 1990 as a base year for CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs and SF<sub>6</sub> (NF3 is not included in the joint EU 2020 target) in CTF table 2(b). If this is the case, the ERT should make a recommendation to the Party as an EU member State to report 1990 as the base year for all GHGs covered in the target.</li> </ul>

**D. Revised target definition compared to that reported in the previous BR**

How to compare the target definitions reported in the current and previous BR	<ul style="list-style-type: none"> <li>• During the review:               <ul style="list-style-type: none"> <li>(a) The ERT should compare the information reported in the BR with that reported in the previous BR submission (BR1);</li> <li>(b) If the ERT observes any discrepancies or has any questions, it should consult and clarify these with the Party.</li> </ul> </li> <li>• In the TRR, the ERT should:               <ul style="list-style-type: none"> <li>(a) Clearly highlight any changes to the target definition;</li> <li>(b) Include any clarifications provided by the Party during the review or in the BR;</li> <li>(c) <i>Description of how the EU target translates into its national target for emissions not covered by the EU ETS</i> Provide a factual assessment of the effects of the changing target definition.</li> </ul> </li> </ul>
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**E. External target-related information sources**

Should the ERTs assess information from the INDC submissions and compare it to the	<ul style="list-style-type: none"> <li>• The ERT should only assess the information on the 2020 quantified economy-wide emission reduction target included by each Party in the BR;</li> <li>• The ERT should not refer to the INDC target or the progress made thereon unless the BR explicitly refers to the INDC target;</li> </ul>
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<i>Review challenge</i>	<i>Suggested approach</i>
information reported in the BR?	<ul style="list-style-type: none"> <li>• If a Party does include information in the BR on its INDC target, then the ERT can take note of this information in the context of the 2020 target without including any “encouragements” or “recommendations” with regard to the “INDC” target.</li> </ul>

**F. Contribution of LULUCF towards achieving the target**

How to review the contribution of LULUCF units towards achieving its target	<ul style="list-style-type: none"> <li>• If inconsistent information is provided on the contribution of LULUCF units towards achieving the target, or if a Party erroneously reports in CTF table 4 the contribution from LULUCF (e.g. the Party does not account for LULUCF units in its target, or the Party presented Kyoto Protocol specific data, such as assigned amount units, instead of Convention data), it is essential for the ERT to clarify this with the Party during the review and reflect the correct information in the TRR and in the table of the TRR on progress. The ERT should:               <ol style="list-style-type: none"> <li>(a) Note in the review report the reported information;</li> <li>(b) Assess what the correct information should be;</li> <li>(c) Provide a recommendation for the Party to enhance the transparency of its reporting by providing the correct information in its next submission. For example, the Party may add a footnote to CTF table 4(a)II explaining that LULUCF is not covered by the target.</li> </ol> </li> <li>• For all Parties that include LULUCF in their target under the Convention, the ERT should include the information reported (either in the BR CTF tables or during the review) on “LULUCF emissions/removals” in the table of the TRR on progress. “Emissions including contribution from LULUCF” should be the sum of “Emissions excluding LULUCF” and “Contribution from LULUCF”.</li> <li>• For all Parties that do not include LULUCF in their target under the Convention, the ERT should use the notation key “NA” (not applicable) for “LULUCF emissions/removals” and “Emissions including LULUCF” in the table of the TRR on progress (this applies to all EU MS).</li> </ul>
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**G. Contribution of units from MBMs towards achieving the target**

How to review the contribution of units from MBMs towards achieving its target as reported in CTF tables 4 and 4(b)?	<ul style="list-style-type: none"> <li>• For Parties that included MBMs in their target, the ERT should check whether the Party provided information on the use of units. If the Party did not provide information on the use of MBM units, the ERT should provide a recommendation on completeness.</li> <li>• If a Party did not report or reported inconsistent or incorrect information on the use of units from MBMs in CTF table 4 (i.e. the reported information does not correspond to the units that the Party acquired and intends to use to achieve the target), it is essential for the ERT to clarify this with the Party during the review and reflect, as applicable, the correct information in the TRR and in the table of the TRR on progress. The ERT should:               <ol style="list-style-type: none"> <li>(a) Note in the TRR any reported information;</li> <li>(b) Clarify with the Party what the actual intended use of units from MBMs for achieving the target is;</li> </ol> </li> </ul>
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*Review challenge**Suggested approach*

(c) Provide a recommendation for the Party to enhance the transparency of its reporting by providing correct/consistent information in its next submission, or, in case such information was not provided, a recommendation to enhance the completeness of its reporting.

- If a Party provided incomplete data in CTF table 4 on MBM units, the ERT should assess whether the gap in reporting is an issue of transparency (if the gap can be adequately explained by the Party) or of completeness (where the gap in reporting cannot be explained by the Party) and recommend that the Party address the gap for its next submission.
- The ERT should use in the table on progress in the TRR: the value reported by the Party (given in the CTF tables or provided during the review) if the Party makes use of units from MBMs; the notation key “NA” when a Party does not plan to use units from MBMs; and the value “0” when the Party intends to use units from MBMs but does not use units in a given year. In all cases, the source of the value of the units from MBMs to be used towards achieving its target included in the table on progress should be explained in a footnote.

***For BRs of the EU:***

- The ERT should assess whether the information reported by the EU in its BR covers the units from MBMs used under the EU ETS as well as the sum of units from MBMs used by the member States under the ESD. The ERT should not check the BRs of all EU member States.
- If the data reported by the EU are not consistent or do not cover the units used under the EU ETS and the ESD, the ERT should provide in the TRR a recommendation on transparency.

***For BRs of EU member States:***

- The ERT should assess whether the information reported by the EU member State in its BR covers the units from MBMs used under the ESD and includes an explanation for the use of units from MBMs by operators under the EU ETS.<sup>2</sup>
- If the data reported by the EU member State are not consistent or do not cover the units used under the ESD, and the explanation was not provided for the use of units from MBMs by operators under the EU ETS, the ERT should provide, in the TRR, a recommendation on transparency.
- The annual emission allocations (AEAs) under the ESD, that could be transferred between the EU member States under certain conditions, are not considered as units from MBMs under the Convention.

<sup>2</sup> Under the EU ETS, operators of installations and aircraft operators are allowed to use units from MBMs up to the maximum allowed limit; however, eligible units from MBMs need to be exchanged for EUAs before surrendering in the Union registry. Corresponding information should be available in the BR of the EU.

## V. Review challenges and suggested approaches in relation to the provision of financial, technological and capacity-building to developing country Parties

<i>Review challenge</i>	<i>Suggested approach</i>
<b>A. Information on the provision of financial support by non-Annex II Parties</b>	
How to review information on financial support provided by non-Annex II Parties	<ul style="list-style-type: none"> <li>• The ERT cannot provide a recommendation or an encouragement as there is no requirement for non-Annex II Parties to report on the financial support that they have provided to developing countries.</li> <li>• The ERT can commend non-Annex II Party for reporting this information and suggest that the Party continue including it in its subsequent submissions.</li> </ul>
<b>B. External information sources to fill in gaps in reporting on provision of financial support</b>	
How to review the amount of financial resources not provided in domestic currency or in USD	<p><b>General:</b></p> <ul style="list-style-type: none"> <li>• If a Party failed to report all of the financial information required in the CTF tables, the ERT should:               <ol style="list-style-type: none"> <li>(a) Request that the Party explain the reasons for not including this mandatory information (if these explanations are not provided in the BR);</li> <li>(b) Include in the TRR an explanation for any missing financial information, if provided by the Party;</li> <li>(c) Recommend that the Party provide complete financial information or a duly substantiated explanation for the gaps in the next BR/CTF tables.</li> </ol> </li> </ul> <p><b>Data in other currencies:</b></p> <ul style="list-style-type: none"> <li>• According to the UNFCCC reporting guidelines on BRs (para. 18(a)), the amount of financial resources includes the amount in original currency and its equivalent in USD/<b>international currency</b>. Further, CTF tables 7, 7(a) and 7(b) require the amounts to be in domestic currency and USD.</li> <li>• If a Party does not provide financial information in its domestic currency or in USD (even if the Party has reported in an international currency), as required in the CTF tables, the ERT should, during the review:               <ol style="list-style-type: none"> <li>(a) Clarify why the Party did not provide that information in the CTF tables;</li> <li>(b) Make the Party aware of publicly available exchange rates (e.g. from the OECD);</li> <li>(c) Explain to the Party the importance of comparable financial information across Parties;</li> <li>(d) Request that the Party provide updated information in its domestic currency or in USD during the review.</li> </ol> </li> </ul>

<i>Review challenge</i>	<i>Suggested approach</i>
	<ul style="list-style-type: none"> <li>• In the TRR, the ERT should, as applicable:               <ul style="list-style-type: none"> <li>(a) Reflect the financial information in the currency reported by the Party;</li> <li>(b) Note that the Party failed to provide financial information in its domestic currency or in USD as requested during the review;</li> <li>(c) Include any explanations provided by the Party with regard to the currency used for reporting financial information;</li> <li>(d) “Recommend” that the Party provide the requested information in its domestic currency or in USD (whichever is not reported) in CTF tables 7, 7(a) and 7(b), or a duly substantiated explanation for the gaps/inconsistencies in the next BR/CTF tables.</li> </ul> </li> <li>• If a Party provided financial information in its domestic currency or in USD, the ERT should reflect that in the TRR.</li> </ul>
<b>C. Contributions provided to the Adaptation Fund (NC reporting)</b>	
<p>How should the ERT formulate its findings if a Party does not report on its contribution to the Adaptation Fund?</p>	<ul style="list-style-type: none"> <li>• The Adaptation Fund is sourced by a share of proceeds from the certified emission reductions under the clean development mechanism.</li> <li>• In addition, Parties to the Kyoto Protocol can contribute to the Adaptation Fund on a voluntary basis.</li> <li>• If a Party to the Kyoto Protocol has made a contribution to the Adaptation Fund, it shall report thereon in its NC (decision 15/CMP.1, para. 43). If a Party did not report information on such a contribution, the ERT should reflect this in the review report and provide a relevant recommendation.</li> <li>• If a Party to the Kyoto Protocol has not made any contribution to the Adaptation Fund on a voluntary basis, it cannot be expected to report on it. The ERT should therefore not provide a recommendation on this issue.</li> </ul>
<b>D. Information on how the resources provided effectively address the needs of developing countries</b>	
<p>How to assess effectiveness of the provision of resources</p>	<ul style="list-style-type: none"> <li>• The requirement to report on how the resources that Parties provide address the needs of developing countries is a mandatory requirement. As the exact requirement is “shall, to the extent possible”, the Party has two options to address this mandatory requirement: either to report the required information or, if it cannot provide this information or can report only partial information, to clearly and concretely explain why this was not “feasible” or “possible”.</li> <li>• If the Party has neither reported the information nor provided explanations for not reporting or only partially reporting the information, then this should lead to a recommendation by the ERT that reflects the language of the reporting requirement (e.g. “The ERT recommends that ..., to the extent possible”).</li> </ul>

<i>Review challenge</i>	<i>Suggested approach</i>
	<ul style="list-style-type: none"> <li>• The ERTs should continue to focus their assessment on how Annex II Parties seek to ensure that the needs of non-Annex I Parties are addressed through the resources they provide.</li> <li>• The ERTs can continue to exercise flexibility with regard to the notion of “effectiveness” encompassed in the reporting requirement as there is no agreed definition thereon.</li> <li>• The ERTs can continue to highlight any information provided by the Parties which showcases, in a meaningful way, the effectiveness of the resources provided in addressing developing countries’ needs.</li> </ul>
<b>E. Information on how the capacity-building support provided responds to the capacity-building needs of developing countries</b>	
How to review the correspondence of capacity-building needs to the support provided	<ul style="list-style-type: none"> <li>• The requirement to report on how the capacity-building support that Parties provide addresses the capacity-building needs of developing countries is a mandatory requirement. As the exact requirement is “shall, to the extent possible”, the Party has two options to address this mandatory requirement: either to report the required information or, if it cannot provide this information or can report only partial information, to clearly and concretely explain why this was not “feasible” or “possible”.</li> <li>• If the Party has neither reported the information nor provided explanations for not reporting or only partially reporting the information, then this should lead to a recommendation by the ERT that reflects the language of the reporting requirement (e.g. “The ERT recommends that..., to the extent possible”).</li> </ul>
<b>F. Information on indicators, delivery mechanisms used, and allocation channels tracked</b>	
How to review indicators, delivery mechanisms and allocation channels tracked	<p><b>Indicators</b></p> <ul style="list-style-type: none"> <li>• The ERTs can continue to accept Parties’ varied definitions of indicators.</li> <li>• The ERTs should reflect in the TRRs the type(s) and/or goals of the indicators reported by each Party and include some indicative examples.</li> </ul> <p><b>Allocation channels/delivery mechanisms</b></p> <ul style="list-style-type: none"> <li>• If a Party has not provided textual information but has only filled in the relevant tables (i.e. CTF tables 7, 7(a) and 7(b)), the ERT should acknowledge this and recommend that the Party provide a textual description as well.</li> <li>• The ERTs can continue to be flexible when Parties do not differentiate between allocation channels and delivery mechanisms.</li> </ul>
<b>G. Information on success and failure stories on the provision of technology transfer</b>	
How to review success and failure stories with regard to technology transfer in cases where table 6 of the	<ul style="list-style-type: none"> <li>• The ERT should consider that this requirement has been fulfilled when the Party has clearly highlighted in the text and in the relevant tables the success or failure story(ies) related to at least one project.</li> </ul>

<i>Review challenge</i>	<i>Suggested approach</i>
UNFCCC reporting guidelines on NCs is not provided	<ul style="list-style-type: none"> <li>• In the IDR: if a Party provided substantive information in textual format, but not in table 6 of its NC, the ERT should recommend that the Party improve the transparency of its reporting by filling in table 6 in its next NC.</li> <li>• In the TRR: if a Party did not report on success and failure stories in its BR, the ERT should encourage the Party to report this information in its next BR.</li> </ul>
<b>H. Information on the provision of public financial support through bilateral, regional and other channels</b>	
How to review information on public financial support provided in BR CTF table 7(b)	<ul style="list-style-type: none"> <li>• BR CTF table 7(b) should only include non-Annex I Parties as recipients of public financial support contributed through bilateral, regional and other channels (as per paragraph 13 of the UNFCCC reporting guidelines on BRs). However, some Parties have submitted BR CTF table 7(b) with Annex I Parties listed as recipient countries.</li> <li>• The ERT should review BR CTF table 7(b) and determine whether Annex I Parties are included. If so, the ERT should note that the Party included Annex I Parties (as a matter of transparency) in the TRR as a recipient of support; however, no encouragement or recommendation should be given by the ERT. If financial support to Annex I Parties is included in the totals, then the ERT should provide a recommendation on transparency.</li> </ul>

## VI. Review challenges and suggested approaches in relation to information reported under Article 7, paragraph 2, of the Kyoto Protocol

<i>Review challenge</i>	<i>Suggested approach</i>
<p><b>A. Supplementarity</b></p> <p>How to reflect the finding that a Party did not report on supplementarity with regard to the use of MBMs</p>	<ul style="list-style-type: none"> <li>• The ERT should assess whether the Party reported on how its use of the mechanisms under Articles 6, 12 and 17 of the Kyoto Protocol is supplemental to domestic action.</li> <li>• When this information is not explicitly or clearly provided in the NC, the ERT should request the Party under review to provide, either before or during the review, clear information on supplementarity in accordance with the Article 7 guidelines.</li> <li>• The ERT should assess whether the Party does not intend to use units from the Kyoto Protocol mechanisms to achieve its commitment under the Kyoto Protocol and whether this information is clearly stated in its NC.</li> <li>• If the Party clearly indicates that it does not plan to make use of units from the Kyoto Protocol mechanisms to achieve its commitment under the Kyoto Protocol, but does not specifically elaborate on supplementarity, then the ERT should consider this information to be complete and can conclude that domestic action accounts for the overall effort made to meet the Party's commitments under the Kyoto Protocol, and hence the use of mechanisms is supplemental to domestic action.</li> <li>• In all other cases, the ERT should assess whether the Party:             <ul style="list-style-type: none"> <li>(a) Provided information that quantifies the amount of units from the Kyoto Protocol mechanisms that it plans to use to achieve its commitment;</li> <li>(b) Compared this amount with its domestic emission reductions and clearly explained/demonstrated how the domestic emission reductions are more significant than the amount of units from the Kyoto Protocol mechanisms used.</li> </ul> </li> <li>• In all cases where information on supplementarity was not provided in the NC, the ERT should include a recommendation on the provision of the information required by the Article 7 guidelines.</li> <li>• The ERT should use the standard language available in the review report template and provide a factual statement on whether the Party reported on how its use of the mechanisms under Articles 6, 12 and 17 of the Kyoto Protocol is supplemental to domestic action and on whether or not it elaborated on supplementarity.</li> </ul>

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*Review challenge*

• *Suggested approach*

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### **B. Policies and measures in accordance with Article 2 of the Kyoto Protocol: steps taken to implement the decisions of ICAO and IMO**

How to review steps taken to implement the decisions of ICAO and IMO

- The ERTs should assess whether Parties reported in their NCs on the steps that they have taken to implement any relevant decisions made by ICAO and IMO and/or how Parties helped to shape some of those decisions.
- In this context, the following could be of relevance to the reviews: any references to studies that Annex I Parties undertook to support the deliberations; meetings in which they participated; and proposals that they submitted to ICAO and IMO. Also relevant could be any reports produced by Annex I Parties on measures that they have taken following the IMO and ICAO decisions; for example: information on voluntary agreements between ship owners, ship operators, the shipbuilding industry and relevant ministries concerning the reduction of GHG emissions by the maritime sector; or the adoption of measures, such as the simplification and optimization of the airspace and procedures for its use, performance-based navigation road maps and aeronautical information management road maps.
- If relevant information on the steps taken to implement any relevant decisions made by ICAO and IMO was not provided by a Party in its NC, the ERT should request this information before or during the review. In all cases, the ERT should assess the information, reflect its findings in the review report and include a recommendation on the provision of the information required by the Article 7 guidelines if this information was not included in the NC.

### **C. Domestic and regional programmes and/or legislative arrangements and enforcement and administrative procedures**

How to review domestic and regional programmes and/or legislative arrangements and enforcement and administrative procedures

- The ERT should assess:
    - (a) Legislative arrangements and enforcement and administrative procedures to ensure that Parties' commitments under the Kyoto Protocol will be met, along with information on how these arrangements and procedures are made publicly accessible, and legal procedures for addressing cases of non-compliance;
    - (b) Institutional arrangements and decision-making procedures for the coordination of activities to participate in the mechanisms under Articles 6, 12 and 17 of the Kyoto Protocol;
    - (c) Legislative arrangements and administrative procedures to ensure that the implementation of activities under Article 3, paragraphs 3 and 4, of the Kyoto Protocol contributes to the conservation of biodiversity and the sustainable use of natural resources.
  - If this information was not provided in the NC, the ERT should request it before or during the review. The ERT should provide its assessment of the information in the review report and include a recommendation on the provision of the information required by the Article 7 guidelines if this information was not included in the NC.
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