

Use of units from market-based mechanisms

4th BRs and NCs lead reviewers meeting



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Transparency

MBMs: Main issues and suggested approach (1)

Note: *The inclusion of MBMs in the target does not automatically mean that a Party will make use of units from MBMs, it rather signifies that a Party retains the right to use such units if it considers it necessary;*

- No information on **inclusion of MBMs** in the target;
- No information on the **expected scale of contribution** from MBMs (CTF tables 2(e)I and 2 (e)II));
- No information on the **expected use of MBMs** by Parties that account for them in their target;
 - *The ERT should provide a relevant recommendation on completeness*



MBMs: Main issues and suggested approach (2)

- **No information** on the MBM units used in CTF tables 4 and 4(b) and no relevant explanations
 - *The ERT should recommend that the Party fill out the CTF tables or, if not feasible, that the Party at least provide the relevant explanations in the BR and in a footnote to the CTF tables.*
- **Inconsistent or incorrect information** on the MBM units used in CTF table 4 and 4(b), the ERT should:
 - *Note in the review report the reported information;*
 - *Clarify with the Party what the actual intended use of units for achieving the target is;*
 - *Provide a recommendation for the Party to enhance the transparency of its reporting by including correct/consistent information in its next submission;*



Use of units by the EU and the EU MS: Suggested review approach

EU

- Information reported by the EU = {units from MBMs under the EU ETS} + Σ {units from MBMs used by the MS under the ESD}
 - *If the data reported by the EU is not consistent with the information provided by the MS, the ERT should provide in the TRR a recommendation on transparency.*

Note: For the EU MS, as for all other Parties, the ERT should check whether each MS clearly stated whether it plans to make use of MBM units or not and the completeness and transparency of the information provided.



MBMs: Suggested approach for Table 4 of TRR

- The ERT should use in the table on progress in the TRR (Table 4):
 - *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.*
- Source of the value of the units from MBMs should be explained in a footnote.

