

Potential Challenges in the Initial Report

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Inputs received on Article 6 reporting



Authorization

authorization is required both acquiring and transferring countries.

Information disclosure

- Clarification on whether own website should be developed.
 - ➤ If a country wants to promote Article 6 implementation, it is recommended to develop own website.
- Clarification how to address confidentiality related to the authorization.

National Inventory

- Need to clarify what we mean by "most recent national inventory report".
- Need more support for in <u>country capacity for setting up inventory to address</u>
 <u>the requirement</u> (many countries lack capacities to develop national inventory report).

Registry

- UNFCCC secretariat and other international organizations are also developing registries.
- To what extent this information need to be included.

Discussions on Article 6 reporting



- ITMOs and Corresponding Adjustment
- Clarification on the carry over of ITMOs
- Implication of <u>different corresponding adjustment methods</u> (multi year vs single year, average or trajectory) should be considered.
- Initial report is an ex-ante report. The actual amount of ITMOs will be reported under the Regular Information and Annual information.
- Further elaboration on <u>how the Article 6 can contribute to sector-specific policies and targets, apart from NDC target</u>, is needed, if applicable.

Discussions on Article 6 reporting



- Information on each cooperative approach
- Rules, guidelines, and methodologies for implementing Article 6 should be designed as common as possible while reflecting each country's circumstances
- Example of illustrative texts would be useful
- Clarification on <u>local stakeholder consultation</u>
- Further clarification on the ambition on mitigation and adaptation.
- Harmonization with 6.4 mechanism are important.

Suggestions on Article 6 reporting



Suggestions

- <u>Common understanding</u> is necessary between acquiring and transferring countries because of possibilities on the different interpretations of decision texts.
- Sharing the knowledge and experiences (actual cases) among countries is important.
- Close communication between participating parties is necessary for preparing the Initial Report to keep consistency.
- Preparation Process should be <u>coordinated</u>.