



**Report on the technical expert review under Article 6,
paragraph 2, of the Paris Agreement of the initial report
referred to in chapter IV.A (Initial report) of the annex to
decision 2/CMA.3 of Vanuatu**

Addendum

Summary

This addendum to the report on the technical expert review under Article 6, paragraph 2, of the Paris Agreement of the initial report referred to in chapter IV.A (Initial report) of the annex to decision 2/CMA.3 of Vanuatu, conducted by an Article 6 technical expert review team in accordance with chapter V (Review) of the annex to decision 2/CMA.3 and the guidelines for the Article 6 technical expert review contained in annex II to decision 6/CMA.4, contains the results of the review of the consistency of the information submitted by the Party with the reporting requirements in paragraph 18 of the annex to decision 2/CMA.3. It presents the recommendations of the Article 6 technical expert review team relating to the areas it has identified for improvement of consistency with the reporting requirements as well as any capacity-building needs identified by the Article 6 technical expert review team in consultation with Vanuatu during the review, which took place from 21 to 25 October 2024 in Bonn.



Abbreviations and acronyms

CAIT	Climate Action Impact Tool of the United Nations Development Programme
CO ₂ eq	carbon dioxide equivalent
DoCC	Department of Climate Change of Vanuatu
GHG	greenhouse gas
ITMO	internationally transferred mitigation outcome
LT-LEDS	long-term low-emission development strategy(ies)
MADD	mitigation activity design document
NDC	nationally determined contribution
SDG	Sustainable Development Goal
TERT	technical expert review team

I. Recommendations¹ relating to the areas for improvement identified during the technical expert review of the Party's initial report

1. Tables 1–2 present the recommendations of the Article² 6 TERT relating to the areas for improvement,³ identified during the technical expert review under Article 6, paragraph 2, of the initial report⁴ of Vanuatu, of the consistency of the information submitted by the Party with the requirements in paragraph 18 of the annex to decision 2/CMA.3.
2. The recommendations are to be implemented for the Party's next relevant submission of information as per chapter IV (Reporting) of the annex to decision 2/CMA.3, unless otherwise specified. Recommendations for future reporting assume the submission of relevant and up-to-date information at the time of that reporting.
3. The recommendations may also be considered by the Party in the context of reporting the information referred to in paragraph 18(g–i) of the annex to decision 2/CMA.3 for any further Article 6, paragraph 2, cooperative approaches in which it is a participating Party as per paragraph 19 of the annex to the same decision, as relevant.

Table 1

Recommendations relating to identified areas for improvement of the consistency of the general information included in Vanuatu's initial report with the requirements in paragraph 18(a–f) of the annex to decision 2/CMA.3

ID#	Element of information to be reported	Description of area for improvement with recommendation
18.A/4.C	The Party has arrangements in place for authorizing the use of ITMOs towards achievement of NDCs pursuant to Article 6, paragraph 3 (decision 2/CMA.3, annex, para. 4(c))	<p>Vanuatu reported that the Ministry of Climate Change Adaptation, Meteorology and Geo-Hazards, Energy, Environment and National Disaster Management, through the DoCC, is its competent authority for authorizations relating to Article 6, paragraph 2, cooperative approaches.</p> <p>However, the information reported by Vanuatu was not found to be sufficiently transparent or complete in relation to its arrangements in place for authorizing use of ITMOs towards achievement of NDCs pursuant to Article 6, paragraph 3, as it did not specify which institution is responsible for delivering the letter of authorization or the process of issuance of the letter.</p> <p>During the review, Vanuatu provided additional information on the key steps in the ITMO authorization process, including the institutions involved: (1) the project proponent submits an ITMO project proposal; (2) a technical review committee reviews the project against national development goals and international standards; (3) if the project meets all criteria, the DoCC issues a letter of authorization, which confirms the project's alignment with national sustainable development objectives and NDC commitments, and certifies that Vanuatu has voluntarily authorized the ITMO project under Article 6, paragraph 2; and (4) the authorized project is registered in the National Carbon Registry.</p> <p>The Article 6 TERT acknowledges the additional information provided by Vanuatu and considers it relevant to the reporting requirement. Therefore, the Article 6 TERT recommends that Vanuatu include the information in its future reporting.</p>
18.A/4.D	The Party has arrangements in place that are consistent with the guidance in the annex to decision 2/CMA.3 and relevant decisions of the Conference of the	<p>Vanuatu reported that it has established national arrangements for tracking ITMOs, including ITMO process manuals and the National Carbon Registry for accounting and transfer of ITMOs.</p> <p>However, the links that Vanuatu provided in its reporting to the manuals and Registry were not working. Moreover, the information reported by Vanuatu was not found to be sufficiently transparent or complete in relation to the consistency of its arrangements for tracking ITMOs with the requirements in paragraph 29 of</p>

¹ As referred to in decision 6/CMA.4, annex II, para. 5(a).

² "Article" in this report refers to an Article of the Paris Agreement.

³ Referenced in document FCCC/A6/IR.TERR.1/2024/VUT, tables 1–2.

⁴ Referred to in decision 2/CMA.3, annex, chap. IV.A (Initial report).

ID#	<i>Element of information to be reported</i>	<i>Description of area for improvement with recommendation</i>
	Parties serving as the meeting of the Parties to the Paris Agreement for tracking ITMOs (decision 2/CMA.3, annex, para. 4(d))	<p>the annex to decision 2/CMA.3 and chapter I.A–B of annex I to decision 6/CMA.4.</p> <p>During the review, Vanuatu provided additional information on key operational aspects of its arrangements in place for tracking ITMOs, including the key features of the National Carbon Registry, which is operated by the DoCC: records emission reductions and ensures that the share of proceeds from each transfer of ITMOs is accounted for, aligning with conventional climate finance practices; ensures that ITMOs are tracked with unique identifiers; ensures issuance and tracking for authorization of ITMOs; and logs the first transfer of ITMOs. Vanuatu indicated that its National Carbon Registry, which is still in demonstration stage, is in the process of being officially launched, well ahead of the first issuance of ITMOs.</p> <p>The Article 6 TERT acknowledges the additional information provided by Vanuatu on key operational aspects of its arrangements in place for tracking ITMOs and considers it relevant to the reporting requirement. Therefore, the Article 6 TERT recommends that Vanuatu include the information in its future reporting, demonstrating how its National Carbon Registry complies with the requirements in chapters I.A–B of annex I to decision 6/CMA.4.</p> <p>The Article 6 TERT also recommends that Vanuatu include further information in its future reporting on how to access the National Carbon Registry and the ITMO process manuals, for instance by providing working links.</p> <p>The Article 6 TERT acknowledges the additional information provided by Vanuatu on the stage of implementation of its National Carbon Registry, and further recommends that Vanuatu operationalize the Registry as soon as possible and include information on its status in its future reporting.</p>
18.A/4.E	The Party has provided the most recent national inventory report required in accordance with decision 18/CMA.1 (decision 2/CMA.3, annex, para. 4(e))	<p>Vanuatu reported that it provided its most recent national inventory report, for 2017, in its first biennial update report, communicated to the UNFCCC on 16 December 2021.</p> <p>However, the Party did not submit its most recent national inventory report in accordance with decision 18/CMA.1, at the end of the Article 6 technical expert review week.</p> <p>During the review, Vanuatu clarified that it intended to submit its first biennial transparency report by December 2024 with support from development partners.</p> <p>The Article 6 TERT recommends that Vanuatu include in its future reporting information on its most recent national inventory report in accordance with decision 18/CMA.1, noting that the Party submitted its most recent national inventory report required in accordance with decision 18/CMA.1 prior to publication of this report.</p>
18.A/4.F	The Party's participation in any cooperative approach contributes to the implementation of its NDC and LT-LEDS, if it has submitted one, and the long-term goals of the Paris Agreement (decision 2/CMA.3, annex, para. 4(f))	<p>Vanuatu reported that one of its mitigation priority areas is transitioning to a close to 100 per cent share of renewable energy in electricity generation by 2030. The Party also reported that this mitigation priority area is included in the NDC and that this target is fully conditional and dependent on international support, which is why it intends to use international cooperation under Article 6, paragraph 2.</p> <p>However, the information reported by Vanuatu was not found to be sufficiently transparent or complete in relation to how its participation in the cooperative approach contributes to the implementation of its LT-LEDS and the long-term goals of the Paris Agreement.</p> <p>During the review, Vanuatu provided additional information in relation to the cooperative approach that it is participating in, indicating that it aligns with Vanuatu's LT-LEDS pathway, according to which the composition of energy supply in the country is being redirected towards lower emissions, and cleaner and local fuel sources. It was specified that on the LT-LEDS pathway substantial reductions in energy supply via fuelwood (–2.5 PJ), diesel (–2.3 PJ) and gasoline (–0.3 PJ) compared with the 'business as usual' scenario between 2020 and 2050 are needed and that these energy sources are to be substituted by solar, wind, hydro, coconut oil, biogas and biomass (collectively accounting for 2.3 PJ renewable energy supply) between 2020 and 2050.</p> <p>The Article 6 TERT acknowledges the additional information provided by Vanuatu, but recommends that the Party include further information in its future</p>

ID#	Element of information to be reported	Description of area for improvement with recommendation
18.B/64.A	Target(s) and description, including target type(s) (e.g. economy-wide absolute emission reduction, emission intensity reduction, emission reduction below a projected baseline, mitigation co-benefits of adaptation actions or economic diversification plans, policies and measures, and other) (decision 18/CMA.1, annex, para. 64(a))	<p>reporting on how its participation in a cooperative approach contributes to the implementation of its LT-LEDS and the long-term goals of the Paris Agreement.</p> <p>Vanuatu provided a description of its NDC mitigation target, indicating that it includes activity-based mitigation targets and sectoral and policy targets in key sectors, including emission reductions in some subsectors.</p> <p>However, the information reported by Vanuatu was not found to be sufficiently transparent or complete for determining whether all the activity-based NDC mitigation targets consist of emission reductions below a projected baseline. Furthermore, Vanuatu did not report sufficiently complete information on the level of emissions projected in the electricity subsector and the overall energy sector in the ‘business as usual’ scenario for 2030 or the relationship between the energy sector and its subsectors (e.g. electricity and transportation).</p> <p>During the review, Vanuatu provided additional information in relation to its NDC, specifying that the primary GHG emission target is to reduce emissions within the energy sector by 72 Gg CO₂ eq by 2030 compared with a ‘business as usual’ scenario, primarily by transitioning to use of 100 per cent renewable energy in the electricity subsector, which is integral to the overall energy sector and contributes a significant proportion of its emissions. The Party also clarified that the relationship between the energy sector and its subsectors will be given further consideration in 2025 in relation to its next NDC.</p> <p>The Article 6 TERT acknowledges the additional information provided by Vanuatu, but recommends that the Party include information in its future reporting on the nature of the NDC mitigation target, including by clarifying whether its target is an emission reduction below a projected baseline and detailing the relationship between the energy sector and its subsectors.</p>
18.B/64.C	Reference point(s), level(s), baseline(s), base year(s) or starting point(s), and their respective value(s) (decision 18/CMA.1, annex, para. 64(c))	<p>Vanuatu reported that the reference year for its NDC is 2010.</p> <p>However, Vanuatu did not report information on the level of emissions for the year or the methodology used to estimate the baseline.</p> <p>During the review, Vanuatu provided additional information, indicating that its net GHG emissions in 2010 were 728.359 Gg CO₂ eq.</p> <p>The Article 6 TERT acknowledges the additional information provided by Vanuatu and considers it relevant to the reporting requirement. Therefore, the Article 6 TERT recommends that Vanuatu include the information in its future reporting.</p>
18.C.2	Method for applying corresponding adjustments as per chapter III.B (Application of corresponding adjustments) of the annex to decision 2/CMA.3 (decision 2/CMA.3, annex, para. 18(c))	<p>Vanuatu reported that for its single-year NDC target it shall calculate the average annual amount of ITMOs first transferred over the mitigation activity crediting period by dividing the cumulative amount of ITMOs by the number of elapsed years in the crediting period and applying corresponding indicative adjustments equal to this average amount for each year in the crediting period, and applying corresponding adjustments equal to this average amount in a given year, resulting in an emissions balance as referred to in paragraph 77(d)(ii) of the annex to decision 18/CMA.1.</p> <p>However, Vanuatu reported information that is not consistent with paragraph 7(a)(ii) of the annex to decision 2/CMA.3, which refers to the number of elapsed years in the NDC implementation period and the application of indicative corresponding adjustments for each year of the NDC implementation period.</p> <p>During the review, no additional information was provided by the Party.</p> <p>The Article 6 TERT recommends that Vanuatu include information in its future reporting on how corresponding adjustments are applied in relation to each year in the NDC implementation period consistently with the method described in paragraph 7(a)(ii) of the annex to decision 2/CMA.3.</p>
18.D	Quantification of the Party’s mitigation information in its NDC in t CO ₂ eq, including the sectors, sources, GHGs and time	<p>Vanuatu reported that quantified mitigation information on its NDC target may be found in its NDC.</p> <p>However, Vanuatu did not report sufficiently complete quantified mitigation information on its NDC target in its initial report.</p>

<i>ID#</i>	<i>Element of information to be reported</i>	<i>Description of area for improvement with recommendation</i>
	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, provision of the methodology for the quantification of the NDC in t CO ₂ eq (decision 2/CMA.3, annex, para. 18(d))	<p>During the review, Vanuatu provided additional information, clarifying that its NDC reference level emissions in 2010 amount to 122.4 Gg CO₂ eq for the energy sector, spanning transport, biomass, the commercial and residential sectors, and green buildings.</p> <p>The Article 6 TERT acknowledges the additional information provided by Vanuatu and considers it relevant to the reporting requirement. Therefore, the Article 6 TERT recommends that Vanuatu include the information in its future reporting.</p> <p>The Article 6 TERT also recommends that Vanuatu include in its future reporting quantitative information relating to the 2030 NDC target, in t CO₂ eq, including the expected levels of emissions, also in t CO₂ eq, in 2030 according to a ‘business as usual’ scenario.</p>

Table 2

Recommendations relating to identified areas for improvement of the consistency of the information included in Vanuatu’s initial report with the requirements in paragraph 18(g–i) of the annex to decision 2/CMA.3 for cooperative approach CA0004, “Electrification of Vanuatu’s Inhabited Islands through Solar Power ITMO Programme”

<i>ID#</i>	<i>Element of information to be reported</i>	<i>Description of area for improvement with recommendation</i>
18.H.1	Description of how the cooperative approach ensures environmental integrity, including that there is no net increase in global emissions within and between NDC implementation periods (decision 2/CMA.3, annex, para. 18(h)(i))	<p>Vanuatu reported that it will implement a robust monitoring scheme for activities implemented under the cooperative approach and promote a shift from fossil-fuel-based electricity generation to solar energy production. The Party also reported that increased production and use of solar energy will enable permanent emission reductions and that the ITMOs resulting from these activities can only be used towards achievement of an NDC with the same implementation period as the period when the ITMOs were achieved (until 2030).</p> <p>However, the information reported by Vanuatu was not found to be sufficiently transparent or complete in relation to how the cooperative approach ensures that there is no net increase in global emissions within NDC implementation periods.</p> <p>During the review, no additional information was provided by the Party.</p> <p>The Article 6 TERT recommends that Vanuatu include information in its future reporting on how the cooperative approach ensures that there is no net increase in global emissions within and between NDC implementation periods.</p> <p>The Article 6 TERT also recommends that Vanuatu report information for this requirement consistently with Switzerland as the other Party participating in the cooperative approach.</p>
18.H.2	Description of how the cooperative approach ensures environmental integrity through robust, transparent governance and the quality of mitigation outcomes, including through conservative 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 uncertainties in quantification and	<p>Vanuatu reported that the full methodological details of the cooperative approach, including the environmental integrity criteria, can be found in the MADD.</p> <p>However, the information reported by Vanuatu was not found to be sufficiently transparent or complete in relation to how the cooperative approach ensures environmental integrity, in particular regarding how baselines have been set in a conservative way and below ‘business as usual’ emission projections, noting that the MADD addressed the ‘business as usual’ scenario, and how leakage is addressed.</p> <p>During the review, Vanuatu provided additional information on the baseline scenario and ITMO registry system: the baseline scenario for the cooperative approach follows the clean development mechanism methodology AMS–I.L, “Electrification of rural communities using renewable energy” (version 3.0); and Vanuatu has established an ITMO registry system to ensure the transparency, credibility and robustness of ITMOs generated from the cooperative approach and to avoid double counting of ITMOs. Vanuatu specified that a clean development mechanism methodology is being applied that does not require a baseline to be set below ‘business as usual’ emission projections, and the</p>

ID#	<i>Element of information to be reported</i>	<i>Description of area for improvement with recommendation</i>
	potential leakage) (decision 2/CMA.3, annex, para. 18(h)(ii))	<p>participants in the mitigation activity under the cooperative approach will replace the methodology at the end of December 2025.</p> <p>The Article 6 TERT acknowledges the additional information provided by Vanuatu, but recommends that Vanuatu shift as soon as possible to baselines that are set below 'business as usual' emission projections and include information in its future reporting on how the cooperative approach ensures environmental integrity through baselines set in a conservative way and below 'business as usual' emission projections.</p> <p>The Article 6 TERT also recommends that Vanuatu include information in its future reporting on how existing policies and mitigation actions are considered and how potential leakage is addressed under the cooperative approach.</p> <p>The Article 6 TERT further recommends that Vanuatu report information for this requirement consistently with Switzerland as the other Party participating in the cooperative approach.</p>
18.I.1	Description of how the cooperative approach will minimize and, where possible, avoid negative environmental, economic and social impacts (decision 2/CMA.3, annex, para. 18(i)(i))	<p>Vanuatu reported that the cooperative approach fully complies with Vanuatu's environmental, economic and social NDC targets and will be implemented under the umbrella of a mutually agreed voluntary mechanism between Vanuatu and Switzerland. Furthermore, Vanuatu reported that the cooperative approach was designed to avoid negative environmental, economic and social impacts.</p> <p>However, the information reported by Vanuatu was not found to be sufficiently transparent or complete in relation to how the cooperative approach was designed to minimize and, where possible, avoid negative environmental, economic and social impacts.</p> <p>During the review, Vanuatu provided additional information on the recycling strategy for the solar panels, specifying the different steps of the recycling strategy that are set out in the MADD. The additional information clarified that the MADD covers displacement of diesel generators and that, in the unlikely case that an existing generator is displaced, the company installing solar photovoltaics will need to provide proof that the diesel generator has been disposed of through a local recycling company that can break down large machinery and ship it overseas for recycling.</p> <p>The Article 6 TERT acknowledges the additional information provided by Vanuatu and considers it relevant to the reporting requirement. Therefore, the Article 6 TERT recommends that Vanuatu include the information in its future reporting.</p> <p>The Article 6 TERT also recommends that Vanuatu include information in its future reporting on the management approaches in place to ensure that the cooperative approach minimizes and, where possible, avoids negative environmental, economic and social impacts, including on how the CAIT will be used.</p> <p>The Article 6 TERT further recommends that Vanuatu report information for this requirement consistently with Switzerland as the other Party participating in the cooperative approach.</p>
18.I.2	Description of how the cooperative approach will reflect the eleventh preambular paragraph of the Paris Agreement, which acknowledges that climate change is a common concern of humankind and notes that Parties should, when taking action to address climate change, respect, promote and consider	<p>Vanuatu reported that, as per the implementing agreement to the Paris Agreement between Vanuatu and Switzerland (also referred to as the cooperation agreement), ITMOs will not be recognized in case of evidence of violation of human rights during the implementation of the mitigation activity under the cooperative approach. Vanuatu also reported that the mitigation activity will undergo an SDG impact assessment using the CAIT.</p> <p>However, the information reported by Vanuatu was not found to be sufficiently transparent or complete in relation to how the CAIT will be used to assess the impact of the mitigation activity under the cooperative approach on human rights, the right to health, the rights of Indigenous Peoples, local communities, migrants, children, persons with disabilities and people in vulnerable situations and the right to development, as well as gender equality, empowerment of women and intergenerational equity.</p> <p>During the review, Vanuatu provided additional information on how the CAIT will be integrated into monitoring, reporting and verification procedures to assess</p>

ID#	<i>Element of information to be reported</i>	<i>Description of area for improvement with recommendation</i>
18.I.3	<p>their respective obligations on human rights, the right to health, the rights of Indigenous Peoples, local communities, migrants, children, persons with disabilities and people in vulnerable situations and the right to development, as well as gender equality, empowerment of women and intergenerational equity (decision 2/CMA.3, annex, para. 18(i)(ii))</p> <p>Description of how the cooperative approach is consistent with the sustainable development objectives of the Party, noting national prerogatives (decision 2/CMA.3, annex, para. 18(i)(iii))</p>	<p>the impact of the mitigation activity under the cooperative approach across the SDGs and how it facilitates field assessments of and stakeholder engagement in the mitigation activity through a detailed questionnaire, with the results incorporated into reporting on the contribution of the mitigation activity to the SDGs. Moreover, the information clarified Vanuatu's intention to use the Article 6, paragraph 4, sustainable development tool. The additional information provided also indicated that Vanuatu ensures that its ITMO activities uphold human rights and sustainable development through a structured approach led by the DoCC and clarified the process for monitoring the impacts on human rights, health and vulnerable communities.</p> <p>The Article 6 TERT acknowledges the additional information provided by Vanuatu and considers it relevant to the reporting requirement. Therefore, the Article 6 TERT recommends that Vanuatu include the information in its future reporting.</p> <p>The Article 6 TERT also recommends that Vanuatu include further information in its future reporting on how the CAIT is used to assess the impact of the mitigation activity under the cooperative approach on human rights, the right to health, the rights of Indigenous Peoples, local communities, migrants, children, persons with disabilities and people in vulnerable situations and the right to development, as well as gender equality, empowerment of women and intergenerational equity.</p> <p>The Article 6 TERT further recommends that Vanuatu report information for this requirement consistently with Switzerland as the other Party participating in the cooperative approach.</p> <p>Vanuatu reported that the cooperation agreement between Vanuatu and Switzerland requires both participating Parties to review a mitigation activity under the cooperative approach against its consistency with national sustainable development objectives and the country's relevant strategies where applicable, such as Vanuatu's NDC, National Energy Road Map (2016–2030) and Vanuatu 2030: The People's Plan.</p> <p>However, the information reported by Vanuatu was not found to be sufficiently transparent or complete in relation to how it implements the requirement of the cooperation agreement to review a mitigation activity against its consistency with national sustainable development objectives and relevant domestic strategies.</p> <p>During the review, Vanuatu provided additional information on how the cooperative approach is consistent with its sustainable development objectives. Vanuatu ensures that each mitigation activity under the cooperation agreement with Switzerland aligns with sustainable development objectives and complies with domestic strategies through a comprehensive review led by an Article 6 technical review committee comprising internal and external experts. The committee plays a critical role in the initial evaluation stage of proposals to ensure that they are in line with national development goals and international standards, including environmental integrity and mitigation outcomes, and that, beyond this initial evaluation, the committee continuously reviews the progress of each mitigation activity, assessing consistency with sustainable development strategies and considering any emerging policies.</p> <p>The Article 6 TERT acknowledges the additional information provided by Vanuatu and considers it relevant to the reporting requirement. Therefore, the Article 6 TERT recommends that Vanuatu include the information in its future reporting.</p> <p>The Article 6 TERT also recommends that Vanuatu include further information in its future reporting on national sustainable development objectives and clarify how the cooperative approach is consistent with them.</p>
18.I.5	Description of how the cooperative approach will contribute resources for adaptation pursuant to	<p>Vanuatu reported that it is not receiving a direct financial contribution for adaptation as a transferring participating Party within the scope of the cooperative approach. Vanuatu also reported that Switzerland announced</p>

<i>ID#</i>	<i>Element of information to be reported</i>	<i>Description of area for improvement with recommendation</i>
	chapter VII (Ambition in mitigation and adaptation actions) of the annex to decision 2/CMA.3, if applicable (decision 2/CMA.3, annex, para. 18(i)(v))	<p>voluntary contributions to the Adaptation Fund of 15 million Swiss francs in 2019 and 10 million Swiss francs in 2021.</p> <p>However, the information reported by Vanuatu was not found to be sufficiently transparent or complete in relation to how the cooperative approach contributes resources for adaptation.</p> <p>During the review, no additional information was provided by the Party.</p> <p>The Article 6 TERT recommends that Vanuatu include information in its future reporting on how the cooperative approach contributes resources for adaptation, if applicable.</p> <p>The Article 6 TERT also recommends that Vanuatu report information for this requirement consistently with Switzerland as the other Party participating in the cooperative approach.</p>
18.I.6	Description of how the cooperative approach will deliver overall mitigation in global emissions pursuant to chapter VII (Ambition in mitigation and adaptation actions) of the annex to decision 2/CMA.3, if applicable (decision 2/CMA.3, annex, para. 18(i)(vi))	<p>Vanuatu reported that, for each ITMO project it authorizes, 5 per cent of verified ITMOs shall be withheld by the Government in a buffer account so that it may potentially use the credits towards compliance with the NDC or overall mitigation in global emissions.</p> <p>However, the information reported by Vanuatu was not found to be sufficiently transparent or complete in relation to how the cooperative approach delivers overall mitigation in global emissions pursuant to paragraph 39 of the annex to decision 2/CMA.3.</p> <p>During the review, Vanuatu provided additional information clarifying that Switzerland will cancel 2 per cent of the ITMOs authorized under the cooperative approach to deliver overall mitigation in global emissions, in addition to any volume of ITMOs necessary to compensate for Switzerland's emissions generated by its administration. The 2 per cent of authorized ITMOs will not be used towards achievement of any NDC or for any other mitigation purposes, including voluntary compensation.</p> <p>The Article 6 TERT acknowledges the additional information provided by Vanuatu and considers it relevant to the reporting requirement. Therefore, the Article 6 TERT recommends that Vanuatu include the information in its future reporting.</p>

II. Capacity-building needs⁵ identified by the Article 6 technical expert review team in consultation with the Party during the review of its initial report

4. Table 3 presents capacity-building needs identified by the Article 6 TERT in consultation with Vanuatu during the Article 6 technical expert review of its initial report.

Table 3
Capacity-building needs identified in consultation with the Party

<i>ID#</i>	<i>Element of information to be reported</i>	<i>Area in which capacity-building is needed</i>
1	Method for applying corresponding adjustments as per chapter III.B (Application of corresponding adjustments) of the annex to decision 2/CMA.3 (decision 2/CMA.3, annex, para. 18(c))	Reporting and using the method for applying corresponding adjustments

⁵ As referred to in decision 6/CMA.4, annex II, para. 7.

<i>ID#</i>	<i>Element of information to be reported</i>	<i>Area in which capacity-building is needed</i>
2	Description of how the cooperative approach ensures environmental integrity through robust, transparent governance and the quality of mitigation outcomes, including through conservative 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 uncertainties in quantification and potential leakage) (decision 2/CMA.3, annex, para. 18(h)(ii))	Reporting information on how a cooperative approach ensures environmental integrity, including on how conservative reference levels and baselines set in a conservative way may be established
3	Description of how the cooperative approach will reflect the eleventh preambular paragraph of the Paris Agreement, which acknowledges that climate change is a common concern of humankind and notes that Parties should, when taking action to address climate change, respect, promote and consider their respective obligations on human rights, the right to health, the rights of Indigenous Peoples, local communities, migrants, children, persons with disabilities and people in vulnerable situations and the right to development, as well as gender equality, empowerment of women and intergenerational equity (decision 2/CMA.3, annex, para. 18(i)(ii))	Reflecting the eleventh preambular paragraph of the Paris Agreement in a cooperative approach
4	Cross-cutting	Developing and transferring advanced technologies and innovation through a cooperative approach that supports Vanuatu in achieving its NDC and LT-LEDS
5	Cross-cutting	Mitigating the risk of inconsistent reporting across the participating Parties in a cooperative approach
6	Cross-cutting	Improving consistency of reporting across Vanuatu’s initial report, national inventory report and NDC
7	Cross-cutting	Improving Vanuatu’s capacity to transparently manage information relating to institutional arrangements for the implementation of cooperative approaches, including the accessibility of such information to stakeholders
8	Cross-cutting	Improving government officials’ knowledge on carbon market operations

Annex

Documents and information used during the review

I. Reference documents

“Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement”. Annex to decision 2/CMA.3. FCCC/PA/CMA/2021/10/Add.1. Available at <https://unfccc.int/documents/460950>.

“Guidelines for the Article 6 technical expert review referred to in decision 2/CMA.3, annex, chapter V (Review)”. Annex II to decision 6/CMA.4. FCCC/PA/CMA/2022/10/Add.2. Available at <https://unfccc.int/documents/626570>.

Initial report of Vanuatu. Available at <https://unfccc.int/documents/632588>.

“Modalities, procedures and guidelines for the transparency framework for action and support referred to in Article 13 of the Paris Agreement”. Annex to decision 18/CMA.1. FCCC/PA/CMA/2018/3/Add.2. Available at <https://unfccc.int/documents/193408>.

II. Additional information provided by the Party

Responses to questions during the review were received from Ian Iercet (DoCC), including additional material. The following references were provided by Vanuatu and may not conform to UNFCCC editorial style as some have been reproduced as received:

“Guidance Manual for Internationally Transferred Mitigation Outcomes (ITMOs) Projects in Vanuatu.”

Slide-deck “Vanuatu’s Internationally Transferable Mitigation Outcomes (ITMOs) Registry (National Registry)”.

United Nations Development Programme (UNDP) “Climate Action Impact Tool (CAIT)”. Available at <https://unfccc.int/file/432098/download?token=4IdzdJg2>.