



REVIEW PRACTICE GUIDANCE

For National Communications and Biennial Reports of Annex I Parties

Draft for the 3rd Lead Reviewers Meeting, 3–4 March 2016, Bonn, Germany

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I. Purpose and scope of the review practice guidance

1. The Review Practice Guidance (hereinafter referred to as the RPG) summarizes the key review challenges faced by the expert review teams (ERTs) when reviewing first biennial reports (BRs) in the period 2014–2015 and also addresses some relevant issues pertaining to the review of the sixth national communications (NCs) of Annex I Parties. It presents suggested approaches to address the review challenges and reflects collective NC and BR review practice.

2. The RPG aims to facilitate consistency among the individual BR and NC reviews during a review cycle and across the review cycles. The RPG 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 RPG is based on the background paper “Biennial reports and national communications: review challenges and practice”¹ prepared by the UNFCCC secretariat for the 3rd lead reviewers (LRs) meeting, March 2016. The background paper is an update of the discussion paper², prepared by the UNFCCC secretariat in response to the request of the LRs at their 2nd meeting, March 2015. Thus the majority of issues contained in the RPG have been already discussed by the LRs at their 2nd LRs meeting. While updating the discussion paper, the UNFCCC secretariat included in the background paper and the RPG a few new issues raised by the experts during BR1 reviews and further elaborated on several topics based on further review experience gained during 2015.

4. Review challenges and suggested approaches are divided in four substantive sections, 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. These sections include key issues observed during the reviews, as presented in the figure below.

5. The RPG covers challenges in reviewing both, BR and NC. Noting that the upcoming review cycle in 2016 encompasses the reviews of BR2 only, the RPG 2016 mostly focuses on topics related to BRs. First three sections 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 and (2) the description of contributions to the Adaptation Fund that are largely relevant to the reviews of NCs only. The fourth section 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.

¹ Available at: < http://unfccc.int/national_reports/biennial_reports_and_iar/items/9296.php

² Available at : < http://unfccc.int/national_reports/biennial_reports_and_iar/items/9296.php

Sections and topics of the Review Practice Guidance 2016

Cross cutting issues <ul style="list-style-type: none">• Recommendations, encouragements and other review findings;• Consistency between TRRs and IDRs when reviewing the BR and NC in conjunction;• Assessment of completeness and transparency.
Quantified economy-wide emission reduction target and progress in its achievement: <ul style="list-style-type: none">• GHG emissions and trends;• GHG emission projections;• Effects of individual mitigation actions;• Reporting on how Parties believe their PaMs are modifying longer-term trends in GHG emissions and removals;• The EU 2020 target;• Revised target definition compared to that reported in the previous BR;• External target-related information sources;• Progress made towards achieving the target;• Contribution of LULUCF towards achieving the target;• Contribution of units from market-based mechanisms towards achieving the target.
Provision of financial and technological support to developing country Parties: <ul style="list-style-type: none">• Information on the provision of financial support by non-Annex II Parties;• External information sources to fill in gaps in reporting on provision of financial support;• Contributions provided to the Adaptation Fund;• Information on how the resources provided effectively address the needs of developing countries;• Information on how the capacity-building support provided responds to the capacity-building needs of developing countries;• Information on indicators, delivery mechanisms used and allocation channels tracked;• Information on success and failure stories on the provision of technology transfer.
Article 7, paragraph 2, of the Kyoto Protocol: <ul style="list-style-type: none">• Supplémentarity;• Policies and measures in accordance with Article 2 of the Kyoto Protocol: steps taken to implement the decisions of ICAO and IMO;• Domestic and regional programmes and/or legislative arrangements and enforcement and administrative procedures.

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 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. For example, this version of RPG (2016) will be discussed and, with the consent of the LRs, will be recommended for use by the ERTs of the BR2 reviews in 2016. Experience from the BR2 reviews will be collected and analysed by the end of 2016 and presented in a draft version of RPG (2017) for consideration of the LRs at the 4th LRs meeting in 2017. With the consent of the LRs, it will be recommended for use by the ERTs in BR3/NC7 reviews in 2018.

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

Review challenge

Suggested approach

A. Recommendations, encouragements and other review findings

1. How to choose between a recommendation and an encouragement

- The basis for the recommendations or encouragements presented in the review reports should be the respective reporting guidelines:
 - (a) A “shall” requirement is a mandatory requirement and, in case of problems, needs to be addressed through a recommendation;
 - (b) A “should” requirement is not a mandatory requirement and, in case of problems, needs to be addressed through an encouragement;
 - (c) A “may” requirement is also not a mandatory requirement and leads to an encouragement;
 - (d) A “shall” requirement followed by an expression such as “where feasible” or “to the extent possible” is also a mandatory requirement. 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 provided by the ERT, which should include the language of the reporting requirement (e.g. “The ERT recommends that..., where feasible”; or “The ERT recommends that..., to the extent possible”).

2. How to frame individual recommendations/ encouragements in the review reports

- 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.

3. How to compile recommendations in the “Conclusions and recommendations” section of the review reports

- 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.
- 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.

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Review challenge

Suggested approach

4. How to reflect additional information received from the Party in the recommendations and encouragements?

- Two types of additional information should be reflected in the recommendations and encouragements:
 - (a) Information that refers to future/anticipated developments;
 - (b) Information that is provided by a Party to address gaps in its reporting.
- The ERT can take note of future 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.
- 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.

5. How to reflect findings on reported information that is indirectly linked to the reporting requirements?

- For “shall” requirements, the ERT should provide a recommendation, and for “should” or “may” requirements the ERT should provide an encouragement.
- 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...”

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).

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Review challenge

Suggested approach

- 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:
 - (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;
 - (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.
2. How to assess the completeness and transparency of the BR CTF tables
- Providing information in the BR CTF tables is a mandatory reporting requirement.
 - 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.
 - 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.
 - When the information provided in this context is relevant, credible and transparent, the ERT can summarize the Party's explanation in the review report, together with a relevant recommendation for addressing the reporting gap in its next NC or BR.
3. How to assess completeness and transparency as "mostly" and "partially"
- The ERT's assessment of completeness and transparency should be based on four gradations: fully; mostly; partially; and not complete or transparent.
 - The ERT should use the checklist (provided by the review coordinator from the UNFCCC secretariat) to ensure that all requirements have been addressed.
 - 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 or BR.
 - All mandatory ("shall") reporting requirements should be treated equally by the ERTs and an "expert's weighting factor" should not be applied, which could imply that some "shall" requirements are more important than others.
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Review challenge

Suggested approach

- One “shall” requirement should trigger not more than one recommendation for completeness and/or one recommendation for transparency. This principle should be applied even if the “shall” requirement contains more than one specific reporting element. There is only one exception, in cases where one “shall” requirement contains an additional mandatory reporting requirement, which is a case in the reporting of projections.
- To ensure consistency across the TRRs and across the subsequent review cycles, the ERTs are encouraged to follow the completeness and transparency assessment scoreboard to distinguish between an assessment of “mostly” or “partially”, as presented in the table below.
- In cases where the assessment of completeness and transparency goes beyond the suggested approach, the ERTs should substantiate their findings and rationale for the gradations used, which could in turn be further used to fine-tune the assessment scoreboard.
- The assessment of the completeness and transparency of the entire BR should continue to be based on expert judgement, taking into account the assessment of each section.

Completeness and transparency assessment scoreboard

<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 ERTI</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	4	1–2	Mostly complete/transparent
		3–4	Partially complete/transparent
Projections (including the UNFCCC reporting guidelines on NCs)	9	1–2	Mostly complete/transparent
		3–9	Partially complete/transparent

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<i>Review challenge</i>	<i>Suggested approach</i>		
Provision of support to developing country Parties	15	1–2	Mostly complete/transparent
		3–15	Partially complete/transparent

Note: In cases where the number of missing mandatory requirements is equal to the number of mandatory requirements from the UNFCCC reporting guidelines on BR, the ERTs should decide whether to assess the respective section of the BR as partially complete/transparent or not complete/transparent. *Abbreviations:* BR = biennial report, ERT = expert review team, GHG = greenhouse gas, 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”.

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

Review challenge

Suggested approach

A. GHG emissions and trends

Which GHG inventory data set should be reflected in the TRR/IDR: that reported in the BR/CTF tables or the latest available GHG inventory submission from the Party?

- The ERTs should base the assessment of the completeness, transparency and consistency of the information reported in the BR/CTF tables on the GHG inventory data included in the BR/CTF tables.
- The ERTs should reflect in the TRRs the emission trends from the latest available GHG inventory submission (table on the GHG emission trends and changes in the trend).

B. GHG emission projections

How to review GHG emissions projections for the EU ETS and non-ETS sectors?

- The EU member States mostly present their projections in accordance with the sectoral categories identified in the UNFCCC reporting guidelines on NCs, but rather note usefulness of such separate reporting.
- As per the reporting guidelines, the ERT cannot recommend/encourage that the EU member States report separate projections for emissions covered by the ETS and ESD sectors.

Example: 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 facilitate the assessment of whether Party Z is on track to achieving its target.”
- 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.
- The ERTs should consider and analyse the information provided on the progress in meeting the renewables target and reflect how this affects future emission trends and the progress of the EU member States in reaching their overall national emission reduction targets.
- If the BR does not include such a description, the ERT could state in section II.C of the TRR: “The ERT noted that the

<i>Review challenge</i>	<i>Suggested approach</i>
	reporting of projected emissions for the EU ETS and non-ETS sectors separately, as well as the reporting of information on the progress made by Party X in reaching its renewables target, would increase transparency and would facilitate the assessment by the ERT of Party X's progress towards its emission reduction target.”

C. Effects of individual mitigation actions

How should the ERT formulate its findings when effects of mitigation actions are not reported?

- The ERT should reflect in the TRR what the Party reported, as appropriate, and what information is missing.
- The ERT should include any explanation provided in the BR or during the review, especially information on national circumstances that may have prevented/hindered the Party from reporting on this requirement.
- The ERT should reflect any challenges in estimating the effects of mitigation actions faced by the Party.
- On the basis of this information, the ERT should assess whether the gap in reporting is one of transparency (if the gap can be adequately explained by the Party as being due to national circumstances) or of completeness (where the gap in reporting cannot be explained by national circumstances) and recommend to address this gap in its next submission.

Example: “In its BR1 and CTF table 3, Party X has not reported on the effects of its individual mitigation actions for 2020. However, during the review, Party X explained that the building hosting its highly sophisticated server CPUs used to compute the individual and total effects of its 567 mitigation actions burned down after it was struck by lightning during Hurricane Zwedna. Party X further explained that, as a result, it will not be able to provide estimates before its next BR submission. The ERT therefore recommends that Party X improve the transparency of its reporting by including this explanation in its next BR.”

D. Reporting on how Parties believe their PaMs are modifying longer-term trends in GHG emissions and removals

When should this requirement be considered fulfilled?
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

- 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
- 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)

<i>Review challenge</i>	<i>Suggested approach</i>
longer-term emission trends?	<ul style="list-style-type: none"> • 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 <p>Example: “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.”</p>

E. The EU 2020 target

How should the EU 2020 target be described? If the target is not clearly presented, is it an issue of transparency?	<ul style="list-style-type: none"> • 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 tonnes of carbon dioxide equivalent (t CO₂ eq) • 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 CO₂ eq would increase the transparency of the reporting on the target.”
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F. 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"> • During the review: <ol style="list-style-type: none"> (a) The ERT should compare the information reported in the BR with that reported in the previous BR submission (BR1); (b) If the ERT observes any discrepancies or has any questions, it should consult and clarify these with the Party • In the TRR, the ERT should: <ol style="list-style-type: none"> (a) Clearly highlight any changes to the target definition; (b) Include any clarifications provided by the Party during the review or in the BR; (c) Provide a factual assessment of the effects of the changing target definition (e.g. how the change in GWPs affects the GHG emission levels in the base year/target year; for example: “The ERT notes that the change in GWPs resulted in...”).
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Review challenge

Suggested approach

G. External target-related information sources

Should the ERTs assess information from the INDCs submissions and compare it to the information reported in the BR?

- The ERT should only assess the information on the 2020 quantified economy-wide emission reduction target included by each Party in the BR;
- The ERT should not refer to the INDC target or the progress made thereon unless the BR explicitly refers to the INDC target;
- If a Party does include information in the BR on its INDC target, then the ERT can take note of this information as for example: “The ERT noted the INDC target reported by Party X in its BR which is...(exact information provided by Party X on its INDC target)”;
- The ERT should not include in the TRR any encouragements or recommendations with regard to the INDC target.

H. Progress made towards achieving the target

How should the ERT formulate its findings with regard to the progress made by Parties towards achieving their emission reduction target?

- The ERT should reflect in the TRR an assessment of what the Party reported, but at the same time highlight to what extent this information is in accordance with the requirements of the respective reporting guidelines in terms of consistency, completeness and transparency.
- The ERT should include a factual statement of the main PaMs/strategies that are contributing to achieving the target, as well as reflect the emission level (including LULUCF and use of credits from market-based mechanisms, if applicable) in the latest reported year and the projected emission level in the target year, compared with the base year level and target year level.
- On the basis of this information, the ERT should assess from a technical point of view whether the Party is making progress towards achieving the target.
- The ERT should reflect any challenges faced by the Party in meeting the target, on the basis of the information provided by the Party.

I. Contribution of LULUCF towards achieving the target

How should the ERT reflect in the TRR the information reported by a Party on the contribution

- If inconsistent information is provided on the contribution of LULUCF units towards achieving its target, or if a Party erroneously reports in BR 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

<i>Review challenge</i>	<i>Suggested approach</i>
of LULUCF units towards achieving its target?	<p>in the table of the TRR on progress. The ERT should:</p> <ul style="list-style-type: none"> (a) Note in the review report the reported information; (b) Asses what the correct information should be; (c) Provide a recommendation for the Party to enhance the transparency of its reporting by providing the correct information in its next submission. <ul style="list-style-type: none"> • 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 LULUCF” should be the sum of “Emissions excluding LULUCF” and “LULUCF emissions/removals”. • 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 member States).

J. Contribution of units from market-based mechanisms towards achieving the target

How should the ERT reflect in the TRR the information reported by a Party on the contribution of units from market-based mechanisms towards achieving its target?	<ul style="list-style-type: none"> • If inconsistent information is provided, or if a Party erroneously reports in BR CTF table 4 the use of units (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 the correct information in the TRR and in the table of the TRR on progress. The ERT should: <ul style="list-style-type: none"> (a) Note in the review report the reported information; (b) Clarify with the Party what the actual intended use of units for achieving the target is; (c) Provide a recommendation for the Party to enhance the transparency of its reporting by providing the correct information in its next submission. • In the table of the TRR on progress, the ERT should use: the value reported by the Party (in the BR CTF tables or during the review) if the Party makes use of units from market-based mechanisms; the notation key “NA” when a Party does not plan to use units from market-based mechanisms; and the value “0” when the Party intends to use units from market-based mechanisms but does not use units for these particular years. In all cases, the origin of the value of the units from market-based mechanisms towards achieving its target included in the table on progress should be explained in a footnote.
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V. Review challenges and suggested approaches in relation to the provision of financial and technological support to developing country Parties

Review challenge

Suggested approach

A. Information on the provision of financial support by non-Annex II Parties

How to review information on financial support provided by non-Annex II Parties?

- 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
- The ERT can commend non-Annex II Party for reporting this information and suggest that the Party continue including it in its subsequent submissions

B. External information sources to fill in gaps in reporting on provision of financial support

Can external sources be used to fill in the gaps in reporting of financial information?

General:

- If a Party failed to report all of the financial information requested in the CTF tables, the ERT should:
 - (a) Request that the Party explain the reasons for not including this mandatory information (if these explanations are not provided in the BR);
 - (b) Include in the TRR an explanation for any missing financial information, if provided by the Party;
 - (c) Recommend that the Party provide complete financial information or a duly substantiated explanation for the gaps in the next BR/CTF tables

Data in other currencies:

- If a Party does not provide financial information in USD, as required in the reporting guidelines, the ERT should, during the review:
 - (a) Clarify why the Party did not provide that information in the CTF tables;
 - (b) Make the Party aware of publicly available exchange rates (e.g. from the OECD);
 - (c) Explain to the Party the importance of comparable financial information across Parties;
 - (d) Request that the Party provide updated information in USD during the review;

Review challenge

Suggested approach

- In the TRR, the ERT should, as applicable:
 - (a) Reflect the financial information in the currency reported by the Party;
 - (b) Note that the Party failed to provide financial information in USD as requested during the review;
 - (c) Include any explanations provided by the Party with regard to the currency used for reporting financial information;
 - (d) “Recommend” that the Party provide the requested information in USD or a duly substantiated explanation for the gaps/inconsistencies in the next BR/CTF tables;
- If a Party provided financial information in USD, the ERT should reflect that in the TRR

C. Contributions provided to the Adaptation Fund

How should the ERT formulate its findings if a Party does not report on its contribution to the Adaptation Fund?

- The Adaptation Fund is sourced by a share of proceeds from the certified emission reductions under the clean development mechanism.
- In addition, Parties to the Kyoto Protocol can contribute to the Adaptation Fund on a voluntary basis.
- 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.
- 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.

D. Information on how the resources provided effectively address the needs of developing countries

How to assess effectiveness of the provision of resources?

- 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”.
- 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”).
- The ERTs should continue to focus their assessment on how Annex II Parties seek to ensure that the needs of non-Annex

Review challenge

Suggested approach

I Parties are addressed through the resources they provide.

- 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.
- 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.

E. Information on how the capacity-building support provided responds to the capacity-building needs of developing countries

How to review the correspondence of capacity-building needs to the support provided?

- 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”.
- 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”).

F. Information on indicators, delivery mechanisms used and allocation channels tracked

How to review indicators, delivery mechanisms and allocation channels tracked?

Indicators

- The ERTs can continue to accept Parties’ varied definitions of indicators.
- 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.

Allocation channels/delivery mechanisms

- 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.
- The ERTs can continue to be flexible when Parties do not differentiate between allocation channels and delivery mechanisms.

G. Information on success and failure stories on the provision of technology transfer

How to review success and

- The ERT should consider that this requirement has been fulfilled when the Party has clearly highlighted in the text and

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<i>Review challenge</i>	<i>Suggested approach</i>
failure stories with regard to technology transfer in cases where table 6 of the UNFCCC reporting guidelines on NCs is not provided?	<p>in the relevant tables the success/failure story(ies) related to at least one project.</p> <ul style="list-style-type: none">• 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.• 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.

Abbreviations: BR = biennial report, CTF = common tabular format, ERT = expert review team, IDR = report of the technical review of the national communication, NC = national communication, non-Annex II Parties = Parties not included in Annex II to the Convention, OECD = Organisation for Economic Co-operation and Development, TRR = report of the technical review of the biennial report, 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”.

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

Review challenge

Suggested approach

A. Supplementarity

How to reflect the finding that a Party did not report on supplementarity with regard to the use of market-based mechanisms?

- 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.
- 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.
- 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.
- 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.
- In all other cases, the ERT should assess whether the Party:
 - (a) Provided information that quantifies the amount of units from the Kyoto Protocol mechanisms that it plans to use to achieve its commitment;
 - (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.
- 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.
- 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.

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

- The ERTs should assess whether Parties reported in their NCs on the steps that they have taken to implement any relevant

<i>Review challenge</i>	<i>Suggested approach</i>
taken to implement the decisions of ICAO and IMO?	<p>decisions made by ICAO and IMO and/or how Parties helped to shape some of those decisions.</p> <ul style="list-style-type: none"> • 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 ship-building 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?	<ul style="list-style-type: none"> • The ERT should assess: <ol style="list-style-type: none"> (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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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, ERT = expert review team, ICAO = International Civil Aviation Organization, IMO = International Maritime Organization, NC = national communication.”