



United Nations
Climate Change



COP29
Baku
Azerbaijan

Interlinkages between Article 6 and 13: the importance of ETF for transparent climate finance instruments and carbon markets

COP29 side event at the Korea Pavilion

Ensuring Transparency and Integrity - Facilitating
climate finance through strengthened GHG
Inventories and transparency reporting

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A decorative horizontal bar consisting of several colored segments: teal, yellow, orange, light blue, purple, green, and red.

Implementation of NDC links Articles 6 and 13

Article 6

*...Recognizing that Parties can pursue **voluntary cooperation** in the **implementation of NDCs** to allow for higher ambition of mitigation and adaptation actions...*



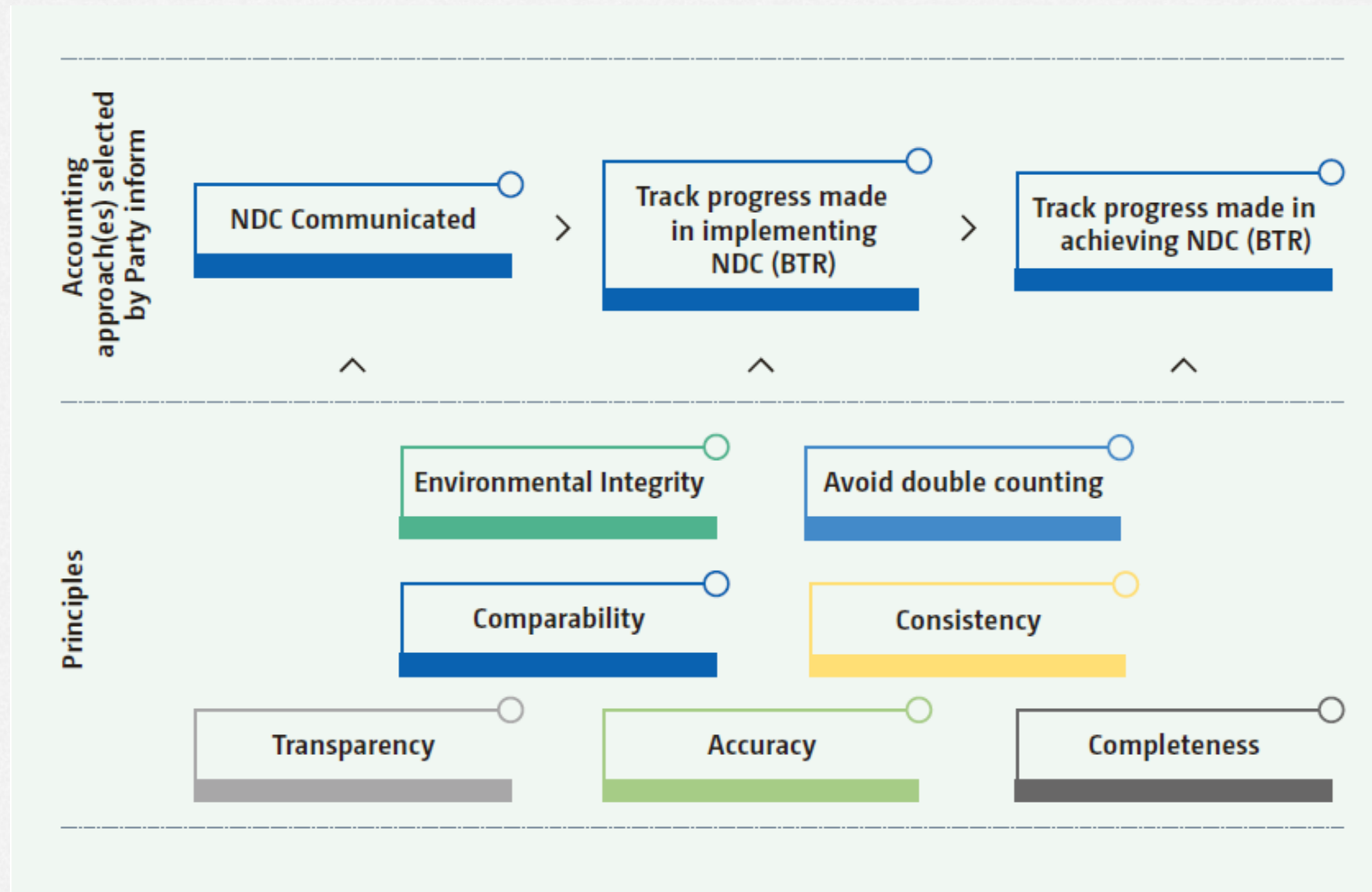
Article 13

*...The purpose of the framework for transparency of action is to provide a **clear understanding** of climate change action, including clarity and **tracking of progress made in implementing and achieving Parties' NDCs**...*



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Comprehensive reporting and review process supports the accurate and transparent accounting for Parties' NDCs

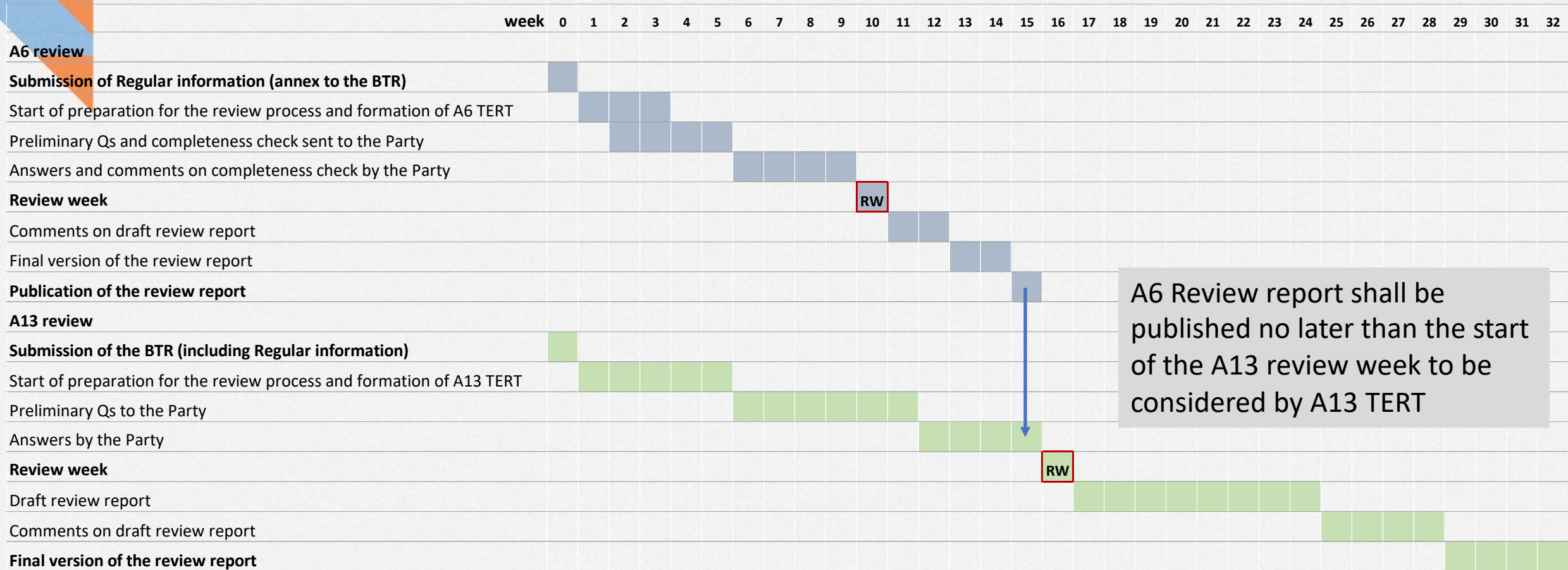


Source: Reference manual for the ETF under the Paris Agreement, UNFCCC

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Sequencing and effective coordination of A6 and A13 reviews ensures timeliness of information provided to all stakeholders



A6 Review report shall be published no later than the start of the A13 review week to be considered by A13 TERT



Structured summary is a centerpiece that links A6 and A13 information necessary to track progress of NDCs

| | Unit | Reference point(s) | Implementation period of the NDC | | | Target level | Target year or period | Progress made towards the NDC |
|--|---------|--------------------|----------------------------------|-----|------|--------------|-----------------------|-------------------------------|
| | | 2005 | 2021 | ... | 2030 | | | |
| <i>Indicator(s) selected to track progress:</i> | | | | | | | | |
| Total GHG emissions (non-adjusted by use of ITMOs) | kt CO2e | 120,000 | 100,000 | | | 60,000 | 2030 | ... |
| Supporting information for indicator | | NA | NA | | | | | |
| Total GHG emissions and removals consistent with the coverage of NDC, where applicable | | | 100,000 | | | | | |
| Contribution from the LULUCF sector, as applicable | | | NA | | | | | |
| <i>Information on the use of ITMOs:</i> | | | | | | | | |
| Multi-year emissions trajectory | kt CO2e | | 110,000 | | | | | |
| Annual GHG emissions and removals (GHG) | kt CO2e | | 100,000 | | | | | |
| Annual level of non-GHG indicator | NA | | NA | | | | | |
| Annual quantity of ITMOs transferred | kt CO2e | | 5,000 | | | | | |
| Annual quantity of ITMOs used for OIMP | kt CO2e | | 0 | | | | | |
| Annual quantity of ITMOs used for NDC | kt CO2e | | 10,000 | | | | | |
| Net annual quantity of ITMOs | kt CO2e | | (5,000) | | | | | |
| Corresponding adjustments (CA) | kt CO2e | | (5,000) | | | | | |
| Annual emissions balance = GHG + CA (GHG metric) | kt CO2e | | 95,000 | | | | | |
| Annual adjusted indicator (non-GHG metric) | NA | | NA | | | | | |
| Any other information | NA | | NA | | | | | |
| Assessment of the achievement of the NDC: | NA | | | | | | | |

Emissions balance reflects the level of GHG emissions and removals covered by the NDC adjusted on the basis of corresponding adjustments (CA) undertaken by effecting an addition for ITMOs first-transferred and a subtraction for ITMOs used/acquired

- For information and comparison purposes
- Information on ITMOs transferred/used
- Calculation steps – **could lead to calculation errors and inaccuracy**





Technical expert reviews under Article 6 and 13 aim to help Parties to improve the quality of reporting over time and build trust and confidence

- TER is implemented in a facilitative, non-intrusive and non-punitive manner focusing on identification of areas of improvement and capacity-building needs
- The adequacy or appropriateness of a Party's NDC and of a cooperative approach in which a Party is participating shall not be reviewed
- Experience and lessons learned from the first reviews of Biennial transparency reports and Initial reports in 2024 showcase the **facilitative nature of the review process** and **building relationship of trust** between technical experts review teams and Parties under review





Flexibility, improved reporting over time and capacity-building support are important features of the ETF

- Parties to the PA, particularly developing country Parties, have **different starting points** regarding their institutional, legal and procedural arrangements and technical capacities
- The ETF provides **flexibility** for developing country Parties that need it in light of their capacities with regard to scope, frequency and level of detail of reporting, and in the scope of review
- Support shall be provided to developing country Parties for the **building of transparency-related capacity** of developing country Parties on a continuous basis.



Thank you!

Let's work **#Together4Transparency!**



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