

MRV: A Survey of Reporting and Review in Multilateral Regimes

One of the central issues in the international climate change negotiations is the measurement, reporting and verification (MRV) of countries' actions. This brief examines reporting and review practices in other major multilateral regimes and, drawing on these examples, outlines the essential elements of an enhanced system of MRV under the United Nations Framework Convention on Climate Change (UNFCCC). To move the climate MRV system closer to the norms set by other multilateral regimes, the next stage in its evolution should entail significantly strengthening the existing system of reporting and expert review, and establishing an additional layer of peer review.

The 2007 Bali Action Plan, which frames the current round of UNFCCC negotiations, calls for the mitigation commitments and actions of both developed and developing countries, as well as support for developing country efforts, to be “measurable, reportable and verifiable (MRV).”¹ The 2009 Copenhagen Accord further specifies that: MRV of developed country targets and finance will be “rigorous, robust and transparent;” developing country mitigation actions will be subject to “domestic MRV,” and supported actions to “international MRV;” and developing country reports will undergo “international consultations and analysis” (ICA) under guidelines respecting national sovereignty.²

Transparency is integral to many multilateral regimes as a means of providing countries confidence that others are keeping their promises. In the case of climate change, some MRV mechanisms have been established already under the UNFCCC and the Kyoto Protocol. An enhanced MRV system could:

- strengthen confidence in the climate regime and the efforts of all parties;
- track progress towards a long term goal;

- provide an important means of learning and sharing experiences; and,
- promote implementation by providing facilitative assistance to help parties improve their performance.

To better understand options for strengthening the climate MRV system, particularly in the area of international consultations and analysis, the Pew Center surveyed reporting and review practices across a broad range of multilateral regimes.³ This brief examines reporting and review mechanisms within five of these regimes: the International Monetary Fund's (IMF) Bilateral Surveillance, the World Trade Organisation's (WTO) Trade Policy Review Mechanism (TPRM), the Organization for Economic Cooperation and Development's (OECD) Environmental Performance Review (EPR), the UN Human Rights Council's (UNHRC) Universal Periodic Review (UPR), and Implementation Review under the Montreal Protocol to the Vienna Convention on Substances that Deplete the Ozone Layer. (See Appendix I for a side-by-side comparison of these regimes and Appendix II for regime summaries.) This brief is not a comprehensive examination of these other regimes; it looks solely at their review provisions, with an eye toward informing international climate discussions.⁴

Summary of findings

Looking across these regimes, we found that:

- All of the review systems surveyed evolved over time, generally as a mixture of treaty text, decisions, common practice and case law.
- All are designed to assess the accuracy of parties' reporting and their implementation of actions. Some go further and assess the outcomes of those actions or the effectiveness of a country's contribution to meeting an agreement's overall objectives.
- Most provide for consistent treatment of parties.
- The information base in all cases is a combination of countries' self-reporting and other inputs, such as reports from experts or the secretariat.
- All include some type of expert review to provide an independent technical assessment.
- All also provide for some form of political or peer review, typically an open, interactive dialogue among all parties or a designated subset of parties.
- All provide for public release of review inputs and/or outputs.
- Most are facilitative in approach, providing technical and/or financial assistance to improve implementation, rather than compliance-type consequences.

Evolution of regimes

All five of the review processes examined evolved over time, with current practices reflecting a gradual succession of decisions. Apart from relatively new regimes, such as the UNHRC, it is rare that the complete review system is embodied within the treaty text. Rather, the notion of the review mechanism is established in the treaty, but the system's scope and operation has generally evolved through a mixture of decisions, common practice and case law.⁵

In the WTO, for instance, informal reporting and review under the General Agreement on Trade and Tariffs (GATT) Council has now evolved into the much more rigorous TPRM. Other

examples include the voluntary participation of non-OECD members in the EPR; the IMF's revised mandate to focus more on domestic and international stability; and the expansion of the Montreal Protocol Implementation Committee's role from ad hoc review data reporting issue to a more systematic approach also addressing issues of accountability.

Purpose and scope

All of the regimes surveyed are designed primarily to assess the implementation of parties' commitments or pledges, and the completeness and accuracy of the data they report. Some, such as the OECD and the UNHRC, go further and assess the result of each party's actions. Others like the IMF and WTO assess a country's contribution to meeting the overall objectives of the agreement.

Review systems have other purposes as well. For instance, the OECD aims to help improve policy making by enabling countries to compare policy experiences and share best practices.⁶ The WTO, on the other hand, places a priority on achieving greater transparency in, and understanding of, the trade policies and practices of members. The OECD, IMF, UNHRC and Montreal Protocol seek to identify areas for improvement. The UNHRC and Montreal Protocol further provide technical assistance to states to deal effectively with their respective challenges.

Although regimes define the scope of review differently, parties are generally assessed against their international obligations, sometimes against their own objectives or domestic policies, and sometimes both.⁷ Ordinarily, the scope of review is the same for all parties. However, some processes grant broad discretion to the secretariat or experts to define the scope of review. In the IMF, for instance, the secretariat staff can tailor an individual member country's review to focus on issues judged to present risks to global financial stability. In some cases, reviews examine several countries with respect to a particular selected them, or examine parties collectively to assess overall performance.

Treatment of parties

Most regimes provide for consistent treatment of parties—that is, the same process (including inputs, outputs, assessment and consequences) is applied equally to all countries. Where there is sometime differentiation, however, is in the frequency of review.

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The WTO is the most commonly known example of differentiated frequency: the four members with the largest shares of world trade (currently the European Union, the United States, Japan and China) are reviewed every two years, the next 16 are reviewed every four years, others every six years, and a longer period still may apply to least developed country (LDC) members.⁸ Similarly the IMF, which usually undertakes annual bilateral reviews, has some flexibility for two-year reviews in the case, for instance, of an LDC posing low risk to global financial stability.

Information base

Typically, the information employed in a review comes from a combination of country self-reporting and other inputs, such as reports from experts or the secretariat. Parties self-report in all cases, with some variation in form. Usually, parties report on their policies and national circumstances in line with standardized guidelines or a reporting template. In the case of the OECD, members under review complete a questionnaire prepared by the secretariat.

Reviews are then usually informed by other intermediary inputs. Under the Montreal Protocol, the secretariat prepares a synthesis report on parties reporting, focusing on data completeness (not data quality) and overall trends (rather than individual cases). In the WTO, the secretariat produces its own report, drawing on a wide variety of official and unofficial sources. The UNHRC includes two initial reports by the secretariat; one compiling input from independent experts, human rights organizations and treaty bodies and other UN entities; and the other compiling input from non-governmental organizations (NGOs) and other stakeholders. While the IMF draws upon data regularly reported by the country, the expert review team's analysis also relies on data from a variety of sources, including an in-country assessment.

Expert review

All five regimes include some element of expert review. Most commonly, it is intended to provide an independent expert assessment to the body that will later undertake the political stage of the review (see next section). These assessments tend to be technically focused, assessing completeness, accuracy and consistency with reporting obligations, but can also assess conformity with treaty obligations. In the IMF, OECD and

WTO, there is provision for consultations with non-government stakeholders.

Expert input usually occurs either through written input or by experts advising, conducting or participating in the secretariat review team. These expert reviews can be conducted from outside the country being reviewed—known as a desk or a paper review—or can be undertaken through an in-country visit. The types of experts can also vary; they can be government or non-government representatives from the country under review or another country, or experts on technical or policy issues.

Apart from providing an independent expert perspective, expert review is considered beneficial for a number of other reasons. In many cases, it provides parties the opportunity for dialogue with experts on international best practice. In some regimes, the sharing of information not otherwise readily available is useful to other governments, donors, and civil society. In other instances, the way the information is collated and presented is valuable to many countries, particularly those with limited in-country expertise.

Peer review

All the regimes provide for some type of political or peer review—an open, interactive dialogue with the country being reviewed. This stage of review typically takes into account all of the inputs and expert assessments generated earlier. It provides an opportunity for other parties to raise questions and concerns, and for the party under review to respond.

In some cases, the peer review is conducted in a forum that includes all parties. In other regimes, including the IMF, the UNHCR and the Montreal Protocol, the peer review is conducted or begun by a designated body with a sub-set of parties, which later reports to the full group. To facilitate discussion, the WTO designates one party as a discussant while the UNHCR uses a troika arrangement (three member states). Parties also engage in questions and answers with the country under review informed by the various inputs (country report, expert or secretariat reports).

Discussion can center on reporting obligations and policy implementation, preliminary expert or secretariat recommendations, or, in the case of the Montreal Protocol,

on overall implementation by the Convention rather than more party-specific performance issues. Discussions are generally open to interested member countries, and in some cases observers; they are closed in the case of the Montreal Protocol and the IMF. In most regimes examined, there is limited or no participation by NGOs or civil society.⁹ The exception is the UNHRC, which allows stakeholder statements in the Council session.

All the review processes produce some form of written outcome, usually reflecting the peer review discussion. In the case of the WTO, this includes the minutes of the meeting, the text of the TPRB Chairperson’s concluding remarks, and parties’ written questions and responses. The IMF and OECD reports assess accomplishments and shortfalls and make recommendations to strengthen implementation. The Montreal Protocol report reflects the review discussions, as well as recommendations adopted by the MOP. The UNHRC outcome report reflects all recommendations, whether accepted or rejected by the member state. An additional product of IMF and WTO reviews is that they feed into broader multilateral assessments, such as the WTO’s annual TPRB Report and the IMF’s World Economic Outlook, Global Financial Stability Report and Regional Outlook reports.

The means of realizing the outputs—particularly any findings or recommendations—is fairly consistent. Most regimes require formal adoption of conclusions or recommendations by the body performing the political stage of review. For example, the UNHRC requires the reports to be adopted by both the UPR and the HRC, including by the party being reviewed. The exception is the WTO, where the reports and discussion are simply reported.

Finally, all regimes provide for the automatic public release of inputs and or outputs. An anomaly is the IMF, which requires the country’s consent; however, countries ordinarily agree to the material’s release.

Consequences

By and large, the review processes themselves do not provide for compliance-type consequences. Some regimes, however, have separate compliance or dispute resolution processes.¹⁰ In the case of the WTO, there is a direct firewall between the

review and compliance processes. It is specifically mandated that the primary purpose of the TPRM is to ensure transparency, and that the information it generates is not to serve as a basis for enforcing specific obligations, settling disputes, or imposing new policy commitments.¹¹ In the case of the Montreal Protocol, on the other hand, a country can be deemed ineligible for support or flexibility (“special use” exemptions) if a review shows its efforts are falling short, and the review mechanism feeds directly into a further non-compliance procedure. However, beyond reporting issues, there have been no significant compliance problems,¹² and punitive measures have never been invoked. Similarly, the UNHRC can decide “appropriate measures after exhausting all efforts to encourage a state to cooperate,”¹³ but this provision remains untested.

More often, however, the processes employ facilitative approaches to help parties meet reporting requirements and fulfill treaty obligations. This could include technical, capacity building or other assistance to help meet review requirements themselves, or to assist more broadly with the costs of implementing treaty obligations, such as under UNHRC and Montreal Protocol.

Beyond immediate or facilitative consequences, the review process can result in other consequences. The OECD and UNHRC require countries to demonstrate compliance or report on progress in implementing recommendations, and often in the case of the OECD, members provide a two-year progress report on the implementation of recommendations. If warranted, the IMF can intensify consultations with a member country or a group of countries, or initiate ad hoc consultations (note this provision has never been used).

The climate context

As is true with these other processes, and with the climate regime more generally, the strengthening of the climate MRV system will likely occur through a gradual or staged process of evolution.¹⁴ Few regimes emerge fully formed: generally they grow overtime as parties gain confidence in one another and in the regime itself.

As noted earlier, some MRV elements are already in place under the UNFCCC and the Kyoto Protocol. Currently, developed countries are subject to strong inventory requirements and target compliance (for Kyoto parties);

however, requirements for the reporting and review of policy actions are much weaker. In general, reporting requirements for developing countries are weak, and there is no formal review of reporting or policy actions. With respect to the MRV of support, there is only limited provision for reporting or review.

While parties can draw on experience in other regimes in strengthening the MRV system, the climate issue has certain unique and important characteristics. First, the principle of differentiation is more deeply embedded in the UNFCCC than in most other agreements.¹⁵ The design of the MRV system must take into account differences in parties' levels of responsibility and capacity, as well as variation in the types of parties' actions. Second, the Copenhagen Accord has introduced the notion of domestic verification, which does not appear in the other systems surveyed. Another consideration is the level of resources that will be required to operate an expanded MRV system, both in terms of time and effort required of parties, and the capacities needed at the secretariat and other relevant institutions.

Elements of an enhanced MRV system

To move the climate MRV system closer to the norms set by other multilateral regimes, the next stage in its evolution should entail: 1) significantly strengthening the existing system of reporting and expert review, and 2) establishing an additional layer of peer review.¹⁶ Together, expert review and peer review would constitute the "analysis" and "consultations" in ICA.

Reporting: Parties should report by three principal means:

- GHG inventories. Developed countries should continue to submit annual inventories. Similar requirements should be phased in for developing countries.
- National communications. Developed and developing countries should submit national communications every four years, with improved reporting of policy actions and outcomes, and support provided or received.
- Biennial reports. Parties should establish a new biennial implementation report containing updated information on a party's actions and support.

In all cases, there should be support for capacity building in developing countries, and longer reporting cycles for LDCs.

Expert review: All reporting inputs—including parties' inventories, national communications and biennial reports—should undergo technical assessment for accuracy, completeness and consistency with COP guidelines. In addition to providing independent technical assessment, the review should allow parties the opportunity for dialogue with expert reviewers to share knowledge and international best practice.

Peer review: The purpose should be to assess the implementation and effectiveness of mitigation actions, promote mutual learning on policy options and their effectiveness, and identify areas and means of improvement. The review should occur every two years for the largest emitters and less frequently for other parties. Like the expert review, the peer review should include all inputs, plus the report of the expert review team, and any comments or questions from other parties. The core of the review should be an interactive dialogue in an open session. As an interim step, this could be conducted by the Subsidiary Body on Implementation, while parties initiate a process to establish a body with a subset of parties under the Multilateral Consultative Process (enshrined in Article 13 of the Convention).¹⁷ Following the discussion, all inputs should be publicly released, as well as written summary of proceedings, including parties' written responses to expert reports and questions from others parties. Finally, the outcome should include facilitation to support and enhance implementation.

Appendix I. Key Features of Selected Multilateral Review Processes

Regime	Nature of review	Frequency	Institutions	Review process
<p>IMF <i>Bilateral Surveillance</i> (1970)</p>	<p>Review examines all 186 member countries’ economic and financial policies and measures—their implementation, effectiveness, conformity with obligations, and effect on international monetary system</p> <p>Sequence</p> <ul style="list-style-type: none"> • Review preparation • In-country expert review • Staff report • Discussion by Executive Board (24 Executive Directors) • Executive Board assessment • Public Information Notice and staff report published with country’s consent 	<p>Annual</p> <p>Some flexibility for 2-year reviews for countries that pose low risk to global financial stability or are under Fund-supported arrangements</p> <p>Experts continually monitor all member countries</p>	<p>IMF expert review team (country- and issue-specific IMF experts)</p> <p>IMF Executive Board (24 Executive Directors based on IMF constituencies)</p>	<ul style="list-style-type: none"> • Ongoing reporting by countries and monitoring by IMF • Review team prepares preliminary analysis and sets agenda by IMF expert review team from a variety of sources including the member country, the IMF, international organizations (information) and contains an assessment of economic situation • In-country review, including exchange of views with stakeholders. Review team prepares draft staff report • Final report approved by IMF management and submitted to Executive Board • Executive Board discussion (meetings are closed; members may be invited to attend) • Board’s consultations and recommendations transmitted to member countries • Public Information Notice (containing summary of staff report and assessment) made public only with consent of country
<p>WTO <i>Trade Policy Review Mechanism</i> (1995)</p>	<p>Review examines all 153 WTO members’ trade policies and practices—their implementation, effectiveness, and impact on the multilateral trading system</p> <p>Sequence</p> <ul style="list-style-type: none"> • Member self reports • Expert review produces secretariat report • Discussion by Trade Policy Review Body (all WTO members) • Reports, including minutes, published 	<p>Differentiated:</p> <ul style="list-style-type: none"> • 4 members with the largest shares of world trade reviewed every 2 years • next 16 every 4 years • others every 6 years • possibly longer for LDCs 	<p>WTO expert review team (economists within secretariat)</p> <p>Trade Policy Review Body (TPRB) (comprised of all WTO members)</p>	<ul style="list-style-type: none"> • Member submits policy statement outlining trade policy, economic situation and development needs • WTO expert review to prepare detailed secretariat report and unofficial sources, and providing summary observations • TPRB discussion facilitated by one discussant on the review and secretariat report • Reports are published, along with minutes of the meeting and Chairperson’s concluding remarks
<p>OECD <i>Environmental Performance Review</i> (1991)</p>	<p>Review examines all 31 member countries’ environmental performance against domestic objectives and international commitments (non-OECD countries reviewed on request)</p> <p>Sequence</p> <ul style="list-style-type: none"> • Agreement on scope of review between country and secretariat • Tailored questionnaire prepared by secretariat completed by country under review • In-country expert review • Preparation of draft report • Discussion of draft report by Working Party on Environmental Performance (all member countries) • Assessment and recommendations approved by WPEP • Report published • Country may report on implementation of recommendations 	<p>No prescribed frequency; in practice, member countries reviewed in cycles of 8-9 years</p> <p>To date, 64 reviews, including 6 non-OECD members</p>	<p>Expert review team (comprised of secretariat and experts from other member countries, sometimes other international organizations)</p> <p>Working Party on Environmental Performance (WPEP) (all member countries)</p>	<ul style="list-style-type: none"> • Country and secretariat agree on scope of the review and international environmental objectives, national commitments and implementation • Secretariat prepares a questionnaire for response by country • In-country expert review to clarify information and exchange of views with wide range of stakeholders • Expert review team prepares draft report assessing a country’s performance, assessment and recommendations • WPEP discusses draft report, including question and answer period • Assessment and recommendations, with any amendments, finalized by secretariat in light of reviewed country’s response • Report, including assessment and recommendations, published • Member country may provide report on implementation of recommendations (years of publication)
<p>UN Human Rights Council <i>Universal Periodic Review</i> (2007)</p>	<p>Review assesses all 192 member states’ performance against obligations contained in 8 interdependent human rights treaties, and related law</p> <p>Sequence</p> <ul style="list-style-type: none"> • Member state, independent expert and stakeholder reports • Discussion by UPR Working Group (47 states on UNHRC, plus interested states) • Report, including member country response, adopted by UPR Working Group • Report adopted by Council 	<p>Every 4 years; 48 member states reviewed each year according to adopted schedule</p>	<p>UPR Working Group (comprised of 47 states on UNHRC plus any interested states)</p>	<ul style="list-style-type: none"> • Three initial reports: member state report outlining obligations with human rights obligations; secretariat report covering human rights organizations and treaty bodies, and other stakeholders • In-session dialogue of UPR Working Group facilitated by balloting • Draft outcome report summarizing discussions and draft recommendations with the involvement of the state under review and stakeholders • Reviewed member state accepts or rejects recommendations • Outcome report, including recommendations accepted by UPR Working Group • Outcome report presented by the Troika at next UPR session, including questioning of state under review and statements by stakeholders • Outcome report adopted
<p>Montreal Protocol <i>Implementation Review</i> (1987)</p>	<p>Review assesses all 196 member countries completeness, consistency and accuracy of data reported on the production, consumption and trade of ozone depleting substances and the collective implementation of the Convention</p> <p>Sequence</p> <ul style="list-style-type: none"> • Country self reports • Secretariat review and synthesis • Discussion of collective implementation • Issues referred to Implementation Committee • Discussion and recommendations made by Implementation Committee, adopted by the Meeting of the Parties (MOP) • Reports, including proceedings, published 	<p>Annual reporting and review</p> <p>Member countries or secretariat can refer issues to the Implementation Committee of the Non-Compliance Procedure</p>	<p>Secretariat review team</p> <p>Implementation Committee (comprised of 10 member countries, balanced representation for 2 year terms)</p>	<ul style="list-style-type: none"> • Country submits national report on the production, consumption and trade of ozone depleting substances • Secretariat reviews country report, focusing on compliance with Convention • Secretariat prepares synthesis report of countries’ compliance with Convention (rather than country-specific) • MOP discussion of collective implementation of the Convention • Specific issues referred to the Implementation Committee • Implementation Committee reviews data presented by countries, provided by the Technology and Economic Assessment Panel and other international organizations involved in implementation • Parties called to explain data accuracy and compliance • Implementation Committee discussion and recommendations

Process	Output	Consequences	Stakeholder engagement	Additional
<p>IMF</p> <p>focus of review. Information compiled (including data regularly reported by countries, and other publicly available economic policies and recommendations from government, central bank and other sources)</p> <p>Submitted to Executive Board</p> <p>Minutes made public in 5 years)</p> <p>Submitted to member country</p> <p>Staff's views and Executive Board's views under review</p>	<p>Public Information Notice made public with country's consent (granted in almost all cases)</p> <p>Staff report made public with country's consent (granted in most cases)</p> <p>Outcome of Bilateral Surveillance feeds into multilateral surveillance, including the World Economic Outlook, Global Financial Stability Report, and Regional Economic Outlook reports</p>	<p>If warranted, IMF can:</p> <ul style="list-style-type: none"> • "intensify" ongoing consultations with member country • initiate ad hoc consultations (provision has never been used) • initiate multilateral consultations to address problems of systemic or regional importance <p>No compliance procedure</p>	<p>Representatives of business, labor unions, civil society and donor community consulted during in-country review</p>	<p>Modest burden on member country; sizeable burden on IMF. About half of IMF's operating budget is used on Surveillance</p> <p>Expert reviewers given broad independence to determine focus of review and to highlight risks to stability</p> <p>Executive Directors on Executive Board serve as officers of the Fund; member country officials not present during Board discussion</p> <p>Some flexibility in the frequency and focus of reviews; otherwise, consistent treatment of countries</p>
<p>Policies and measures and practices, and their impact on the environment</p> <p>Report drawing on a wide variety of official observations</p> <p>The basis of member's policy statement</p> <p>Meeting and text of the TPRB</p>	<p>Member's policy statement and secretariat report (including observations) published together with the proceedings of the TPRB meetings (including Chairperson's remarks, written questions and responses)</p> <p>Individual reviews feed into the annual Report of the TPRB and the Director General's annual Overview of Development in the International Trading Environment</p> <p>Technical assistance made available on request to developing country members, in particular LCDs</p>	<p>None</p> <p>Not intended to serve as a basis for enforcing specific obligations, settling disputes, or imposing new policy commitments</p> <p>Cases of alleged violation taken up in separate Dispute Settlement Procedure</p>	<p>WTO expert review able to draw on a wide variety of official and unofficial sources</p>	<p>Modest burden on both members and WTO secretariat</p> <p>Some flexibility in the frequency of review; otherwise, consistent treatment of countries</p>
<p>Country, encompassing country-specific and regional conditions, policies and measures, and their impact on the environment</p> <p>Country under review</p> <p>Assess performance, including exchange rate</p> <p>Accomplishments and shortfalls, with recommendations</p> <p>Answer with member country under review</p> <p>Comments, approved by WPEP; report comments</p> <p>Recommendations, published by OECD secretariat</p> <p>Implementation of recommendations (norm within 2 years)</p>	<p>Report assessing accomplishments and shortfalls and making recommendations published by OECD secretariat</p> <p>Self-assessment by country on implementation of recommendations</p> <p>Next review monitors and reports on progress</p>	<p>None</p> <p>No compliance procedure</p>	<p>International organizations, academics, industry and NGOs consulted during in-country review</p>	<p>Considerable burden on secretariat and reviewed country</p> <p>Agreement on scope of review between country and secretariat; otherwise, consistent treatment of countries</p>
<p>Policies and measures, and conformity with international law</p> <p>Compiling input from independent experts, other UN entities; secretariat report</p> <p>Reviewed by Troika (three member states drawn from the Working Group)</p> <p>Recommendations prepared by Troika</p> <p>Secretariat</p> <p>Recommendations</p> <p>Accepted and rejected, adopted by the Working Group</p> <p>UNHRC session, with provision for additional input from interested states and other stakeholders</p>	<p>Initial and final reports made public</p> <p>At next review, state must demonstrate implementation of recommendations</p> <p>Assistance provided to enhance capacity to address human rights challenges</p>	<p>State has primary responsibility to implement recommendations, but all countries collectively accountable for progress or failure in implementing recommendations</p> <p>UNHRC can decide "appropriate measures after exhausting all efforts to encourage a state to cooperate"</p> <p>Separate Complaints Procedure under UNHRC, in addition to individual compliance procedures under each human rights treaty</p>	<p>Independent experts, NGOs and other stakeholders report and may attend UPR Working Group dialogue</p>	<p>Modest burden on both member state and secretariat/UPR Working Group</p> <p>Reports compiled by independent experts, human rights treaty bodies, UN entities and other stakeholders offers additional degree of broader input</p> <p>Consistent treatment of countries</p>
<p>Consumption and trade of ozone</p> <p>Completeness. Secretariat can make data available</p> <p>Collective implementation</p> <p>Convention</p> <p>Committee</p> <p>By secretariat. Data can also be provided by the Panel, Multilateral Fund, and other sources</p> <p>Recommendations, adopted by the MOP</p>	<p>Reports and proceedings made public</p> <p>Assistance from Multilateral Fund to assist developing countries meet reporting requirements and incremental costs of implementation</p>	<p>Separate Non-Compliance Procedure</p> <p>Implementation Committee can recommend, with MOP consent "appropriate assistance," "issuing of cautions," and "suspension" of certain rights and privileges</p> <p>Eligibility for assistance from Multilateral Fund and flexibility provisions depends on meeting reporting requirements</p>	<p>International organizations involved in implementation can provide data into Implementation Committee review and can attend Implementation Committee meetings</p>	<p>Sizable reporting requirements for party, modest burden on secretariat</p> <p>Secretariat not formally empowered to verify or question party, however, can undertake request for clarification</p> <p>Some flexibility in the phase out of controlled substances, otherwise consistent treatment of countries</p>

Appendix II.

WTO—Trade Policy Review Mechanism¹⁸

The work of the World Trade Organization (WTO) includes monitoring and review of national trade policies, which is considered to be of fundamental importance for increasing the transparency and understanding of member's trade policies and practices. The monitoring and review of the 153 WTO members is carried out through the Trade Policy Review Mechanism (TPRM).

The TPRM was an early result of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) 1989 and was established on a permanent basis by Annex 3 of the Marrakesh Agreement as one of the WTO's basic functions. With the entry into force of the WTO in 1995, the mandate of the TPRM was broadened to cover services trade and intellectual property.

The purpose of the TPRM is to contribute to improved adherence by all members to rules, disciplines and commitments made under various trade agreements and to achieve greater transparency in, and understanding of, the trade policies and practices of members.

The assessment takes place, to the extent relevant, against the background of the wider economic and developmental needs, policies and objectives of the member concerned, and of its external environment. However, the function of the review mechanism is to examine the impact of a member's trade policies and practices on the multilateral trading system.

All WTO members are subject to review under the TPRM. The frequency of review is differentiated based on the size of a country's volume of trade: every two years for the four largest trading entities, (currently the European Union, the United States, Japan and China); every four years for the next 16 members; and every six years for other members, with provision for a possibly longer interval for least-developed countries. In 1994, flexibility of up to six months was introduced into the review cycles, and in 1996 it was agreed that every second review of each of the first four trading entities should be an "interim" review.

The reviews take place in the Trade Policy Review Body (TPRB), which is actually the WTO General Council—

comprising the WTO's full membership—operating under special rules and procedures. The reviews are therefore peer assessments, although much of the factual leg-work is done by the WTO secretariat. The TPRB's debate is stimulated by one discussant, selected beforehand.

Reviews are conducted by the TPRB on the basis of a policy statement by the member under review and a report prepared by economists in the secretariat's Trade Policy Review Division, which draws on a wide variety of official and unofficial sources. In preparing its report, the secretariat seeks the cooperation of the member but has the sole responsibility for the facts presented and views expressed.

The report includes detailed chapters examining the trade policies and practices of the member and describing trade policymaking institutions and the macroeconomic situation, and summary observations presenting the secretariat's perspective on the member's trade policies. This summary, the member's policy statement, and the secretariat report are published after the review meeting, along with the minutes of the meeting and the text of the TPRB Chairperson's Concluding Remarks, delivered at the conclusion of the meeting.

The WTO has a separate compliance mechanism (dispute settlement procedure).

IMF—Bilateral Surveillance¹⁹

Following the collapse of the Bretton Woods system of fixed exchange rates, the International Monetary Fund (IMF) was mandated to oversee the international monetary system and monitor the economic and financial policies of its 186 member countries. Through Surveillance—a condition of IMF membership, laid out under Article IV of the IMF's Articles of Agreement—the IMF holds bilateral discussions with members and issues a consultations report. The report focuses on a member country's hard and soft obligations and other policies that have a bearing on the country's stability, and highlights possible risks to domestic and external stability and advising on needed policy adjustments.

Article IV Consultations usually take place once a year (however IMF economists continually and regularly monitor members' economies). IMF economists visit the member

country to gather information and hold discussions with government and central bank officials, and often private investors, labor representatives, members of parliament and civil society organizations.

Upon their return to IMF headquarters, the staff mission team submits a staff report to the IMF Executive Board for discussion. The Board's views are subsequently summarized and transmitted to the country's authorities.

The Executive Board is comprised of 24 Executive Directors based on IMF member constituency share (derived from a formula determined by size of country, contributions and voting rights). Executive Directors are not representatives from capitals but officers of the fund on permanent mission to Washington, and meet three times a week).

In recent years, the Surveillance process has become increasingly transparent. Currently, 97 percent of member countries agree to publication of a Public Information Notice, which summarizes the staff's and the Board's views, and 88 percent of member countries agree to publication of the staff report on the IMF's website.

IMF staff members have considerable independence, notably through the staff appraisal or concluding statement at the end of a staff report. The IMF relies almost exclusively on the evaluations of its staff, while allowing Board members and the country authorities to disagree. There is a partial peer review component in the discussion among Board members, which is then represented in the Board's summing up or assessment contained in the Public Information Notice.

The national authorities' views on specific policy issues are reflected in the summary record of the policy discussion conducted with the staff during missions, but they are not ultimately required to endorse the policy recommendations addressed to them. To protect the integrity of Fund documents, the authorities are not able to modify or remove themes treated in an Article IV consultation report. However, limited modifications—such as factual corrections and deletions of highly market-sensitive material—are allowed if the modifications meet the guidelines outlined in the IMF's transparency policy.

The practice of Surveillance has evolved considerably since the 1970s and has been undergoing a process of reform since 2007. Currently, the IMF is in the process of reexamining its mandate, including the role of Surveillance. It will report back to the IMF Council later this year.

OECD—Environmental Performance Review²⁰

The Organisation for Economic Co-operation and Development (OECD) is a forum where the governments of 31 democratic and market economies work together to address the economic, social and governance challenges. Originally created as an economic counterpart to NATO and growing out of efforts to coordinate the Marshall Plan for the reconstruction of Europe after World War, the OECD helps governments to foster prosperity and fight poverty through economic growth, financial stability, trade and investment, technology, innovation, entrepreneurship and development co-operation.

The OECD has a peer review arrangement that aims to help countries under review compare policy experiences, improve their policymaking, adopt best practices, and comply with established standards and principles by learning from the experience of others. OECD peer reviews cover a wide range of topics, from economics and governance to education, health, environment and energy. Peer reviews can assess the performance and policies of individual countries or examine several countries with respect to a particular selected theme.

The Environmental Performance Review (EPR)—established in 1991—regularly monitors individual member country's performance against domestic objectives in environmental management and sustainable development, and in meeting international commitments.

The EPR consists of three phases: preparation, consultation and assessment. The first phase involves agreeing on the scope of the review and collecting information. Designated OECD experts (from the secretariat and experts from a handful of member countries, with occasional observers from non-members or international organizations) then carry out an in-country review to discuss the reviewed country's achievements and challenges. In addition to government officials, consultations are held with academics and representatives of industry and environmental NGOs.

In the assessment phase, the Working Party on Environmental Performance (WPEP)—grouping all 31 OECD member countries as well as “enhanced engagement” countries China, India, Indonesia, Russia and South Africa—discusses a report of the in-country review in a question and answer discussion with the member country under review.

The examination results in a published report that assesses accomplishments, spells out shortfalls and makes recommendations. The next review considers whether the country has acted on its peers’ advice and whether the situation has improved.

UN Human Rights Council—Universal Periodic Review¹⁹

The UNHRC is an inter-governmental body within the UN system made up of 47 states (represented by members with three-year terms) responsible for strengthening the promotion and protection of human rights around the globe. The Council was created by the UN General Assembly in March 2006 with the main purpose of addressing situations of human rights violations and making recommendations on them.

The Universal Periodic Review (UPR) assesses states’ human rights records against various human rights obligations. A cooperative state-driven process based on “equal treatment,” it provides the opportunity for each state to declare what actions it has taken to improve human rights within its borders and to fulfill its human rights obligations. The UPR also aims to provide technical assistance to states and enhance their capacity to deal effectively with human rights challenges and to share best practices in the field of human rights among states and other stakeholders.

All UN 192 member states are reviewed once every four years—with 48 states reviewed each year. The reviews are carried out by the UPR Working Group composed of the 47 Council members plus any UN member state choosing to take. Each review is facilitated by groups of three states, or “troikas,” drawn by lot who act as rapporteurs.

Three reports serve as a basis for each state review: a member state report outlining policies and measures and conformity with human rights obligations; a secretariat report compiling

input from independent human rights experts and groups, human rights treaty bodies and other UN entities; and a secretariat report compiling information from NGOs, national human rights institutions and “other stakeholders.”

Working Group reviews take place through an interactive dialogue between the state under review and the Council. Other relevant stakeholders, such as NGOs or national human rights institutions, may attend the reviews in the Working Group. NGOs can make statements at the regular session of the UNHRC when the outcome of the state reviews are considered.

Following the state review by the Working Group, an “outcome report” provides a summary of the discussion, including accepted and refused recommendations. The report is then adopted at a plenary session of the UNHRC.

The state has the primary responsibility to implement the recommendations contained in the final outcome, but all countries are collectively accountable for progress or failure in implementing these recommendations. Capacity-building and technical assistance is provided to help ensure implementation.

In a case of persistent non-cooperation, the UNHRC can decide on appropriate measures. There is also a separate Complaints Procedure.

Montreal Protocol—Implementation Review²⁰

The 1985 Vienna Convention for the Protection of the Ozone Layer and the subsequent 1987 Montreal Protocol on Substances that Deplete the Ozone Layer were established to combat the threat of ozone-layer depletion and phase out the use of ozone-depleting substances. With 196 parties, the ozone regime is widely regarded as one of the success stories of international environmental law. Commitments are regularly reviewed and revised in light of new further scientific evidence, and controls have been strengthened and expanded overtime, and in the case of developing countries, often helped by the Protocol’s Multilateral Fund (MLF) (established to help developing countries meet their commitments by funding the incremental costs and assisting technology transfer).

Through the data reporting process, parties annually provide statistical data on their production, consumption and trade of

controlled substances. These reports are then reviewed, and the secretariat prepares a compilation report on implementation for the annual Meeting of the Parties (MOP). This review assesses the completeness, consistency and accuracy of data reported. The secretariat can make data queries and request clarification (a regular and heavily followed customary practice), however, is not formally empowered to verify or question the party on the quality (substance) of data submitted. Discussion by the MOP focuses on the overall trends and reporting rates, focusing on the collective adequacy of parties' contributions to meeting the objectives of the treaty, rather than the performance of individual countries.

Specific issues of compliance are referred by the MOP to the Implementation Committee of the Non-Compliance Procedure, which was established in 1992. Until 1994, the Implementation Committee (comprised of 10 member countries, with balanced representation between developed and developing countries, serving two-year terms) reviews specific compliance issues arising from the data reporting system, but has since been expanded to also address issues of accountability. The Implementation Committee discusses data presented by the secretariat, and data can also be provided by the Technology and Economic Assessment Panel (TEAP), Multilateral Fund (MLF) and other international institutions involved in implementation (UN Environment Programme, UN Development Programme, UN Industrial Development Organization and World Bank). Parties are called to explain their data accuracy and compliance, a discussion occurs, and then recommendations are made by the Implementation Committee to the MOP. Implementation Committee meetings are closed but detailed proceedings are available afterwards.

The MOP can agree to “appropriate assistance,” “issue cautions,” and “suspend” certain rights and privileges. However, to date, no party has been denied assistance or had rights or privileges suspended.

In addition to the data reporting mechanism and the Non-Compliance Procedure, the Montreal Protocol has several additional institutions that also provide a review function of parties implementation; the MLF (which monitors and evaluates the funds dispersed, including project implementation), Global Environment Facility (GEF) (requires

implementation monitoring, post-project verification and evaluations of GEF-funded zone projects, and funding can be withheld from parties that fail to meet the Protocol obligations), and the TEAP (which provides detailed assessments of technical issues and the technical and economic feasibility of controls).

Endnotes

¹ Decision 1/CP.13; Bali Action Plan.

² Decision 2/CP.15; Copenhagen Accord.

³ Including Nuclear Non-Proliferation Treaty (NPT), UN Convention Against Corruption (UNCAC), International Labor Organization (ILO), G20, Asia Pacific Economic Cooperation (APEC), UNESCO World Heritage Convention, Convention on International Trade in Endangered Species (CITES), Wetlands Convention (Ramsar), Convention on Migratory Species (CMS), Law of the Sea Convention (UNCLOS), Transboundary Hazardous Waste Convention (Basel), Convention on Biodiversity (CBD) and Convention to Combat Desertification (CCD).

⁴ The Pew Center has convened two events on this topic. For further information, including presentations, see *Bonn Side Event—MRV: Lessons from Other Regimes*, June 2010 at <http://www.pewclimate.org/international/event/2010/06/bonn-side-event-mrv-lessons-from-other-regimes>, and *Beijing Workshop on Reporting Practices Related to Climate Change and Other International Challenges*, October 2010 at <http://www.pewclimate.org/international/workshop/2010/10/workshop-reporting-practices-related-to-climate-change>.

⁵ Victor, David G., Kal Raustiala, and Eugene B. Skolnikoff. 1998. *The Implementation and Effectiveness of International Environmental Commitments: Theory and Practice*. MIT Press, Cambridge and Raustiala, K. 2001. *Reporting and Review Institutions in 10 Multilateral Environmental Agreements*, UNEP, Nairobi.

⁶ *Peer Review: A Tool for Cooperation and Change*. OECD (2007) <http://www.oecd.org/dataoecd/9/41/37922614.pdf>.

⁷ A unique example is the UNHRC, whereby parties are assessed against their human rights obligations contained in eight interdependent human rights treaties and related international law—depending on which treaties they are a party to, as opposed to the more standard practice of examining conformity with obligations under a specific treaty.

⁸ *Trade Policy Reviews: The Trade Policy Review Mechanism* (TPRM) http://www.wto.org/english/tratop_e/tpr_e/tprm_e.htm.

⁹ CITES is one example where a large role is played by non-governmental organizations.

¹⁰ For example, the UNHRC has a stand-alone Complaints Procedure, in addition to the individual compliance procedures under each human rights treaty.

¹¹ *Trade Policy Review Mechanism: Annex III*, WTO http://www.wto.org/english/tratop_e/tp_r_e/annex3_e.htm.

¹² Victor, David G., Kal Raustiala, and Eugene B. Skolnikoff. 1998. *The Implementation and Effectiveness of International Environmental Commitments: Theory and Practice*. MIT Press, Cambridge.

¹³ *United Nations Human Rights Council Resolution 5.1: Institution-Building I. UNIVERSAL PERIODIC REVIEW MECHANISM* http://ap.ohchr.org/documents/E/HRC/resolutions/A_HRC_RES_5_1.doc.

¹⁴ For further information, see also Bodansky, D. and Elliot Diringer. 2010. *The Evolution of Multilateral Regimes: Implications for Climate Change*. Pew Center on Global Climate Change, Arlington.

¹⁵ Article 3.1 stresses the principles of equity and of common but differentiated responsibilities and respective capabilities.

¹⁶ For further information, see also *Post-2012 Climate Policy Brief: Strengthening Measurement, Reporting and Verification*. Pew Center on Global Climate Change (2010).

¹⁷ Report on the Ad hoc Group on Article 13 on its Sixth Session, Bonn, 5–11 June 1998 <http://unfccc.int/resource/docs/1998/ag13/02.pdf>.

¹⁸ This section is drawn from the WTO website, including *Trade Policy Reviews: The Trade Policy Review Mechanism (TPRM)* http://www.wto.org/english/tratop_e/tp_r_e/tp_r_e.htm *Trade Policy Reviews: Brief Introduction, Overseeing national trade policies: The TPRM* http://www.wto.org/english/tratop_e/tp_r_e/tp_int_e.htm, *Annex 3: Trade Policy Review Mechanism* http://www.wto.org/english/docs_e/legal_e/29-tp_r_m.pdf, *Understanding The WTO: The Agreements, Trade Policy Reviews:*

Ensuring Transparency http://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm11_e.htm.

¹⁹ This section is drawn from the IMF website, including *IMF Surveillance Factsheet*, IMF (2010) <http://www.imf.org/external/np/exr/facts/surv.htm>, *IMF Article IV Staff Reports* <http://www.imf.org/external/ns/cs.aspx?id=51>.

²⁰ This section is drawn from the OECD website, including *Peer Review: A Tool for Cooperation and Change*. OECD (2007) <http://www.oecd.org/dataoecd/9/41/37922614.pdf> and The OECD, OECD (2008) <http://www.oecd.org/dataoecd/15/33/34011915.pdf>.

²¹ This section is drawn from the Human Rights Council website, including Universal Periodic Review <http://www.ohchr.org/EN/HRBodies/UPR/Pages/UPRmain.aspx>, Basic facts about the UPR <http://www.ohchr.org/EN/HRBodies/UPR/Pages/BasicFacts.aspx>, *United Nations Human Rights Council Resolution 5.1: Institution-Building I. UNIVERSAL PERIODIC REVIEW MECHANISM* http://ap.ohchr.org/documents/E/HRC/resolutions/A_HRC_RES_5_1.doc, *The Human Rights Council* <http://www2.ohchr.org/english/bodies/hrcouncil>.

²² This section is drawn from Handbook for the Montreal Protocol on Substances that Deplete the Ozone Layer—7th Edition, UNEP (2006) http://ozone.unep.org/Publications/MP_Handbook/, Victor David G., Kal Raustiala, Eugene B. Skolnikoff. 1998. *The Implementation and Effectiveness of International Environmental Commitments: Theory and Practice*. MIT Press, Cambridge and Raustiala, K. 2001. *Reporting and Review Institutions in 10 Multilateral Environmental Agreements*. UNEP, Nairobi.

This is one in a series of policy briefs examining post-2012 international climate policy. The Pew Center on Global Climate Change was established by the Pew Charitable Trust to bring a new cooperative approach and critical scientific, economic, and technological expertise to the global climate change debate. We inform this debate through wide-ranging analyses that add new facts and perspectives in four areas: policy (domestic and international), economics, environment, and solutions.



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