



# EU INPUT TO ARTICLE 6.2 WORKSHOP

BAKU, 2-4 OCTOBER 2024

# SESSION 4

# FIRST TRANSFER



# First transfer definitions in relation to OIMP



**EU's understanding: ITMOs may be authorized for use towards OIMP only**

**First transfer is clearly defined, subject to the choice of the Party, where:**

- **A Party authorizes for use towards OIMP only and does not transfer to another Party**

**First transfer is not clearly defined where:**

- **A Party authorizes for use towards NDC and/or OIMP**
- **A Party authorizes for use towards OIMP only and transfers to another Party**

**Option 2 in section III.A addresses this matter effectively by using the earlier point in time as first transfer between**

- (a) First transfer to another Party**
- (b) The first transfer definition for OIMP, as specified by the Party**

**Address for how long first transfers can take place?**

# Issue #3: Implementation of OMGE

## Glasgow and Sharm decisions foresee different possible OMGE cancellations

1. Mandatory cancellation of Article 6.4 emission reductions  
(always a “first transfer” in the case of authorized Article 6.4 ERs)
2. Voluntary cancellation by participating Parties (paragraph 39 Glasgow)
  - a. Host Party => “First transfer”
  - b. Acquiring Party => “Cancellation” because the ITMO has already been first transferred

## Necessary actions / sub-actions:

Action	Sub-actions
Cancellation	Voluntary cancellation to deliver OMGE (acquiring Party)
First transfer	Mandatory cancellation of Article 6.4 emission reductions to deliver OMGE Voluntary cancellation to deliver OMGE (host Party)

# Transfers to / from the Adaptation Fund

## ITMO pathway through the Adaptation Fund

- The Adaptation Fund will hold an account in the mechanism registry (para 58 Glasgow)
- For authorized A6.4ERs, the transfer to that account is a first transfer (para 39 Sharm)
- Subsequently, other Parties may acquire these A6.4ERs from the Adaptation Fund

=> This ITMO pathway should be distinguished from other “first transfers” and “acquisitions” to allow appropriate reconciliation and summations

Action	Sub-actions
Acquisition	Acquisition from the Adaptation Fund
First transfer	Mandatory transfer of Article 6.4 emission reductions to the Adaptation Fund



# Voluntary contributions to the Adaptation Fund



“Participating Parties and stakeholders using cooperative approaches are strongly encouraged to commit to contribute resources for adaptation, in particular through contributions to the Adaptation Fund (...)” (para 37 Glasgow)

**Option 1: Limit contributions to monetary contributions (no ITMOs)**

**Option 2: Allow Parties to also make voluntary ITMO contributions**

**EU’s view: Option 2**

=> Option 2 provides more flexibility to Parties, without creating any obligation

=> If pursued, the respective action types would need to be reflected

Action	Sub-actions
Transfer	Voluntary transfer to the Adaptation Fund (acquiring Party)
First transfer	Voluntary transfer to the Adaptation Fund (host Party)

**THANK YOU FOR YOUR ATTENTION!**