United Nations Framework Convention on Climate Change

Guidance on cooperative approaches referred to in Article 6, paragraph 2 of the Paris Agreement

Reporting

SBSTA virtual workshop, September 2022

Secretariat

Approach to the technical paper

Inputs:

- The work-programme in **decision 2/CMA.3**
- Principles embedded in the **guidance and articulated by Parties**
- Analysis of the **provisions of the guidance**
- **Inputs from Parties** during the first intersessional period and during SBSTA 56
- Experience with **similar processes** under the Kyoto Protocol and in preparation for the Enhanced Transparency Framework, as well as our broader knowledge

Outputs:

- **Possible solutions** for operationalizing the guidance
- Elements that may benefit from **clarifications from Parties**
- **Holistic and coherent picture** of systems and processes

Reporting: Cooperative approach and ITMO tracking methods – *Section II.B*

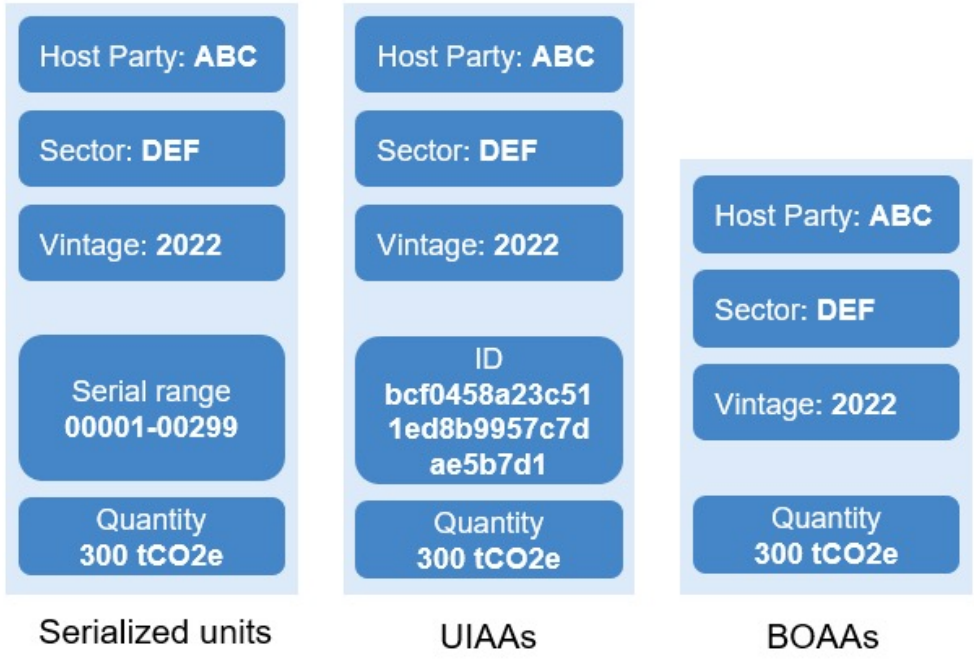
The SBSTA mandate in relation to reporting is developing recommendations for **tables** and **outlines**

Starting points:

- Obligation for reporting
- Scope
- Timelines for submissions

Reporting elements:

- **Cooperative approach** to which all information is linked
- Methods for tracking ITMOs:
  - Serialized units
  - Uniquely identifiable accounting amounts (UIAAs)
  - Balance-only accounting amounts (BOAAs)
  - Balance in a higher-tier accounts



Reporting: Authorizations and first transfer – *Section II.B*

- **Authorization** is central to reporting, with multiple implications across the system

Types of Authorization:

Authorization of ITMOs towards use(s)
(paragraphs 1 (d), 1 (f), 20 (a), and 21 (c))

Authorization of a cooperative approach
(paragraphs 18 (g) and 21 (c))

Authorization of entities
(paragraphs 18 (g) and 23 (d))

- Elements of authorization
- Before or at the time of **first transfer**

If ITMO authorized for NDC and OIMP **first transfer** is the earliest first transfer between OIMP and NDC:

- Authorization (OIMP)
- Issuance (OIMP)
- International transfer (NDC)
- Use (OIMP)

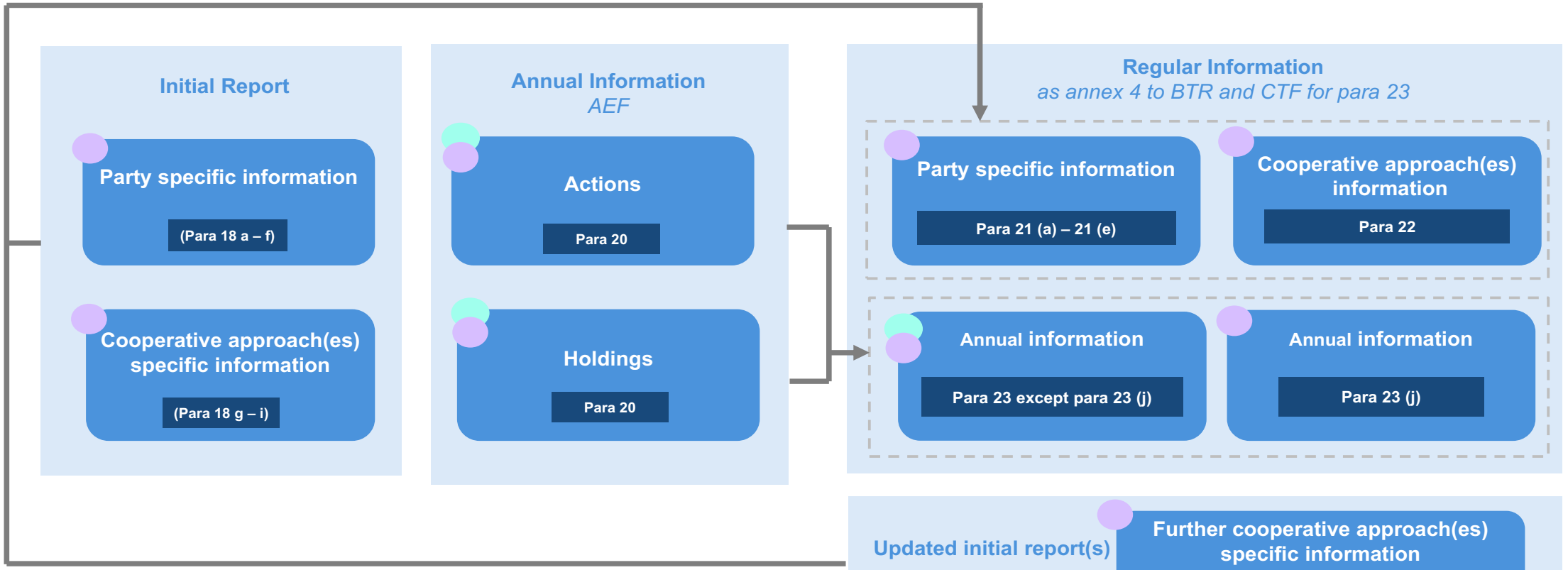
Possible solution

Reporting: Other elements – *Section II.B*

Additional considerations regarding other reporting elements:

- **Metrics and conversion methods**
- Voluntary information on **GWPs**
- **ITMO life** and finality of accounting
- Reporting in relation to **sectors and activities**
- Consistency in **nomenclatures** in reporting is important for comparability of information
- **Confidentiality** and its implications on checking the consistency of submitted information
- Alignment in reporting and **reuse of submitted information**
- Obligation of Parties participating in the 6.4 mechanism to report only on **authorized A6.4ERs** under guidance

Reporting: Outlines - *Section II.C*



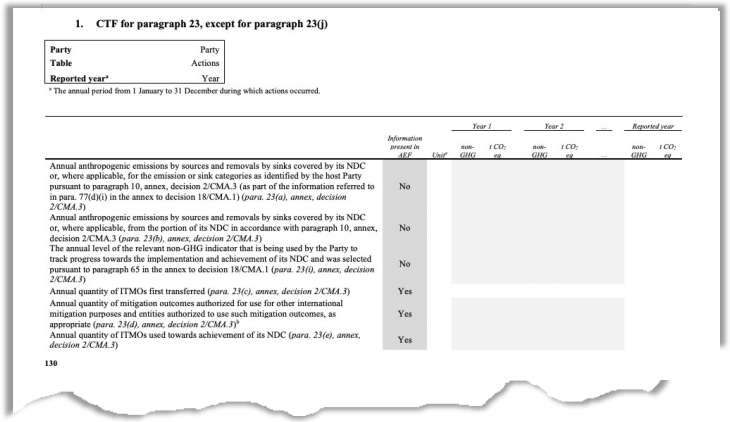
Confidential information can be submitted in an annex to the public report

Possible solution

Reporting: Paragraph 23 and paragraph 23(j) – *Section II.C*

Regular Information: Paragraph 23 except 23(j)

Annex 2



1. **CTF for paragraph 23, except for paragraph 23(j)**

Party	Party
Table	Actions
Reported year[a]	Year

[a] The annual period from 1 January to 31 December during which actions occurred.

	Information present in AFR	*Unit*[c]	*Year 1* non-GHG	*Year 1* t CO_2 eq	*Year 2* non-GHG	*Year 2* t CO_2 eq	...	...	*Reported year* non-GHG	*Reported year* t CO_2 eq
Annual anthropogenic emissions by sources and removals by sinks covered by its NDC or, where applicable, for the emission or sink categories as identified by the host Party pursuant to paragraph 10, annex, decision 2/CMA.3 (as part of the information referred to in para. 77(d)(i) in the annex to decision 18/CMA.1) (*para. 23(a), annex, decision 2/CMA.3*)	No									
Annual anthropogenic emissions by sources and removals by sinks covered by its NDC or, where applicable, from the portion of its NDC in accordance with paragraph 10, annex, decision 2/CMA.3 (*para. 23(b), annex, decision 2/CMA.3*)	No									
The annual level of the relevant non-GHG indicator that is being used by the Party to track progress towards the implementation and achievement of its NDC and was selected pursuant to paragraph 65 in the annex to decision 18/CMA.1 (*para. 23(i), annex, decision 2/CMA.3*)	No									
Annual quantity of ITMOs first transferred (*para. 23(c), annex, decision 2/CMA.3*)	Yes									
Annual quantity of mitigation outcomes authorized for use for other international mitigation purposes and entities authorized to use such mitigation outcomes, as appropriate (*para. 23(d), annex, decision 2/CMA.3*)[b]	Yes									
Annual quantity of ITMOs used towards achievement of its NDC (*para. 23(e), annex, decision 2/CMA.3*)	Yes									

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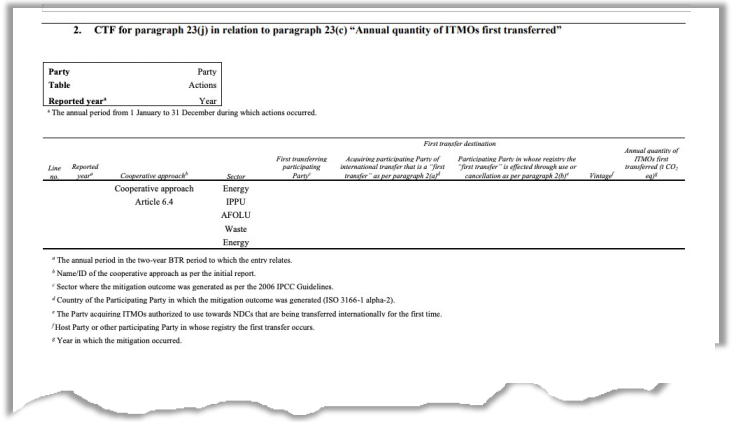
Regular Information: Paragraph 23 (j)

Annex 2



2. **CTF for paragraph 23(j) in relation to paragraph 23(c) "Annual quantity of ITMOs first transferred"**

Party	Party
Table	Actions
Reported year[a]	Year

[a] The annual period from 1 January to 31 December during which actions occurred.

				First transfer destination				
Line no.	*Reported year*[a]	*Cooperative approach*[b]	*Sector*	*First transferring participating Party*[f]	*Acquiring participating Party of international transfer that is a "first transfer" as per paragraph 2(a)*[g]	*Participating Party in whose registry the "first transfer" is effected through use or cancellation as per paragraph 2(b)*[f]	*Vintage*[f]	*Annual quantity of ITMOs first transferred (t CO_2 eq)*[g]
		Cooperative approach Article 6.4	Energy IPPU AFOLU Waste Energy					

[a] The annual period in the two-year BTR period to which the entry relates.
[b] Name/ID of the cooperative approach as per the initial report.
[c] Sector where the mitigation outcome was generated as per the 2006 IPCC Guidelines.
[d] Country of the Participating Party in which the mitigation outcome was generated (ISO 3166-1 alpha-2).
[e] The Party acquiring ITMOs authorized to use towards NDCs that are being transferred internationally for the first time.
[f] Host Party or other participating Party in whose registry the first transfer occurs.
[g] Year in which the mitigation occurred.

- Paragraph 23 and 23 (j) are proposed in the **form of tables**
- For paragraph 23, the **structured summary has been used as starting point** and adapted for annual information
- Links to **Excel versions** of paragraph 23 and 23 (j) are included in Annex IV with example entries

Reporting: Agreed Electronic Format (AEF) - *Section II.D*

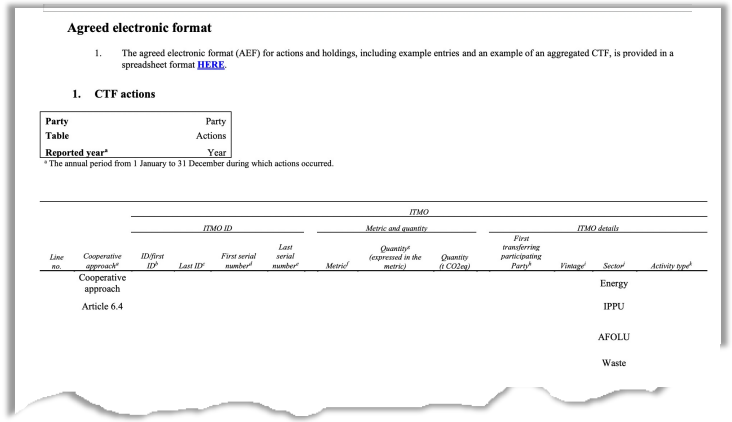
Considerations in relation to the agreed electronic format (AEF) for annual information:

- **ITMO data** needs to be **granular** to enhance consistency checks
- **Published data** could be **aggregated** to preserve confidentiality
- Public information on the use for **OIMP could be disaggregated**
- Information on **internal (to a Party) transfers is excluded** from AEF
- **Parties report on all actions and holdings** of ITMOs in the context of their authorization and tracking arrangements
- **Authorizations** for uses are **reportable actions** in the AEF
- AEF is not chronological but information on **dates of actions would be useful**

AEF: Actions & Holdings

(two tables)

Annex 3



Agreed electronic format

1. The agreed electronic format (AEF) for actions and holdings, including example entries and an example of an aggregated CTF, is provided in a spreadsheet format **HERE**.

1. CTF actions

Party	Party
Table	Actions
Reported year[a]	Year

[a] The annual period from 1 January to 31 December during which actions occurred.

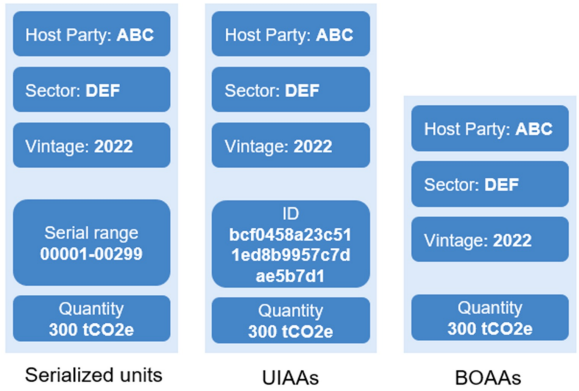
		ITMO									
		ITMO ID				Metric and quantity			ITMO details		
Line no.	*Cooperative approach*[b]	*ID/first ID*[c]	*Last ID*[c]	*First serial number*[d]	*Last serial number*[d]	*Metric*[e]	*Quantity*[e] *(expressed in the metric)*	*Quantity (t CO2eq)*	*First transferring participating Party*[b]	*Vintage*[f]	*Sector*[g]	*Activity type*[h]
	Cooperative approach										Energy	
	Article 6.4										IPPU	
											AFOLU	
											Waste	

Reporting: Agreed Electronic Format (AEF) - *Section II.D*

Further considerations on AEF:

- The AEF can accommodate **different ITMO tracking methods**
- ITMO identifiers are needed for granular identification of **inconsistencies**
- The **first transfer flag** is a flag in relation to authorization (OIMP), issuance (OIMP), international transfer (NDC) or use (OIMP)

Tracking methods



Potential issues:

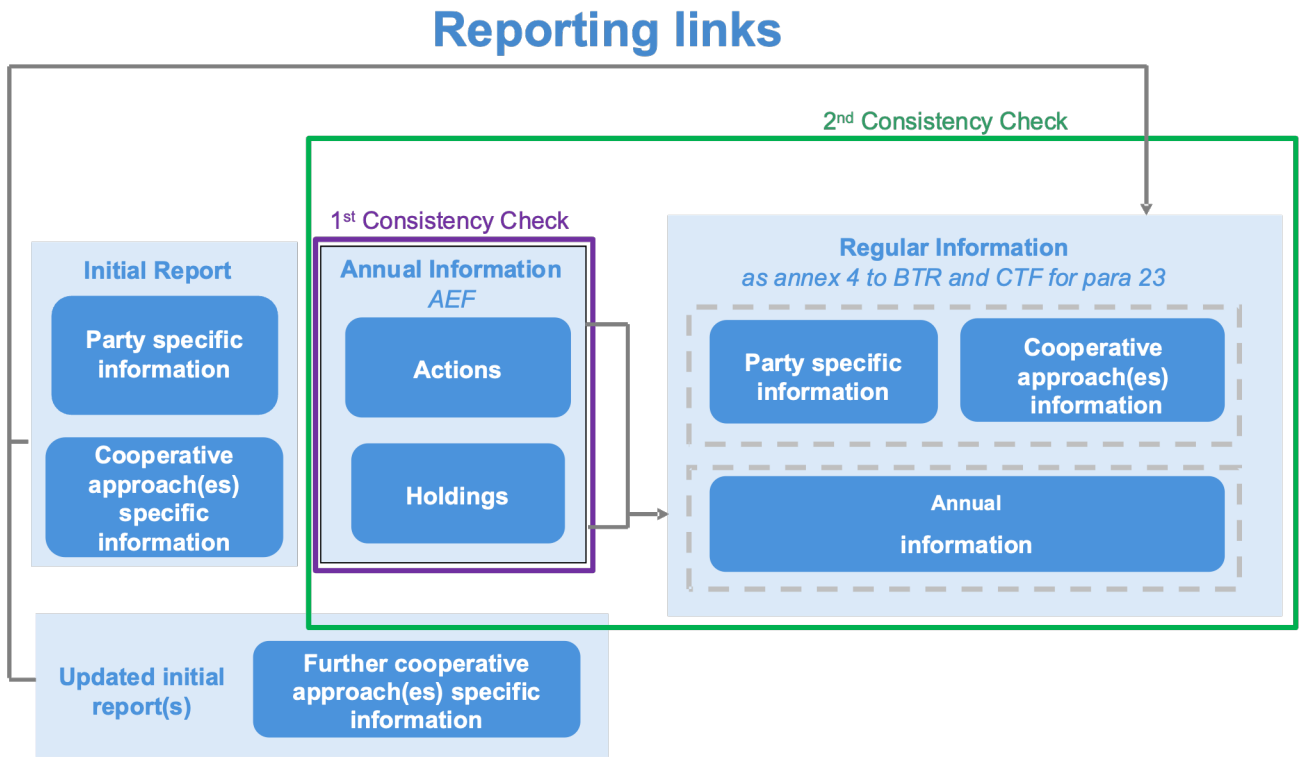
- When ITMOs authorized for OIMP are ‘used’ in a registry that is not to the host Party’s registry:
  - There is a need to **notify the host Party** of this ’use’ to account for this first transfer
- An ITMO authorized for NDC that is **cancelled for OMGE** domestically:
  - The ITMOs **may not be accounted for** in corresponding adjustments as first transfer would not have occurred

Reporting: Submission process – *Section II.E*

Links between the information submitted in different reporting elements:

- The initial report and regular information have shared data elements
- The AEF includes the data described in paragraph 23 (j)
- The AEF and paragraph 23 have information that partially overlaps

The consistency checks as par para. 33 (a) are central to overall consistency of ITMO data



The consistency check relates to:

- Internal reporting consistency (AEF)
- Consistency between parties (Parties AEFs)
- Consistency between reports (AEF matches paragraph 23)