

# Regional Climate Week

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# Asia-Pacific

Johor, Malaysia – 13-17 November 2023



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# Session 4b: Infrastructure for tracking reporting requirements



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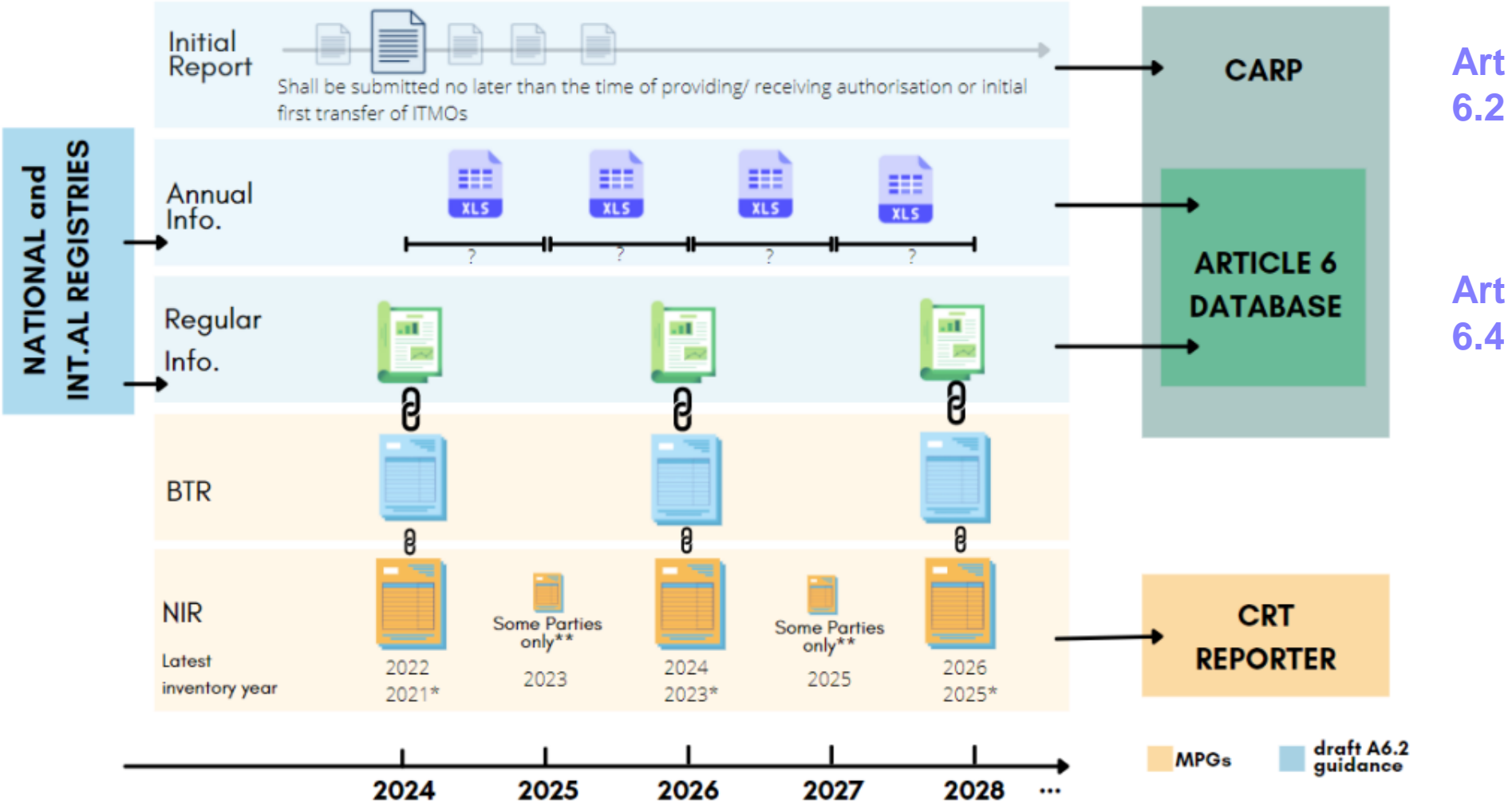
# Reporting structure: overview



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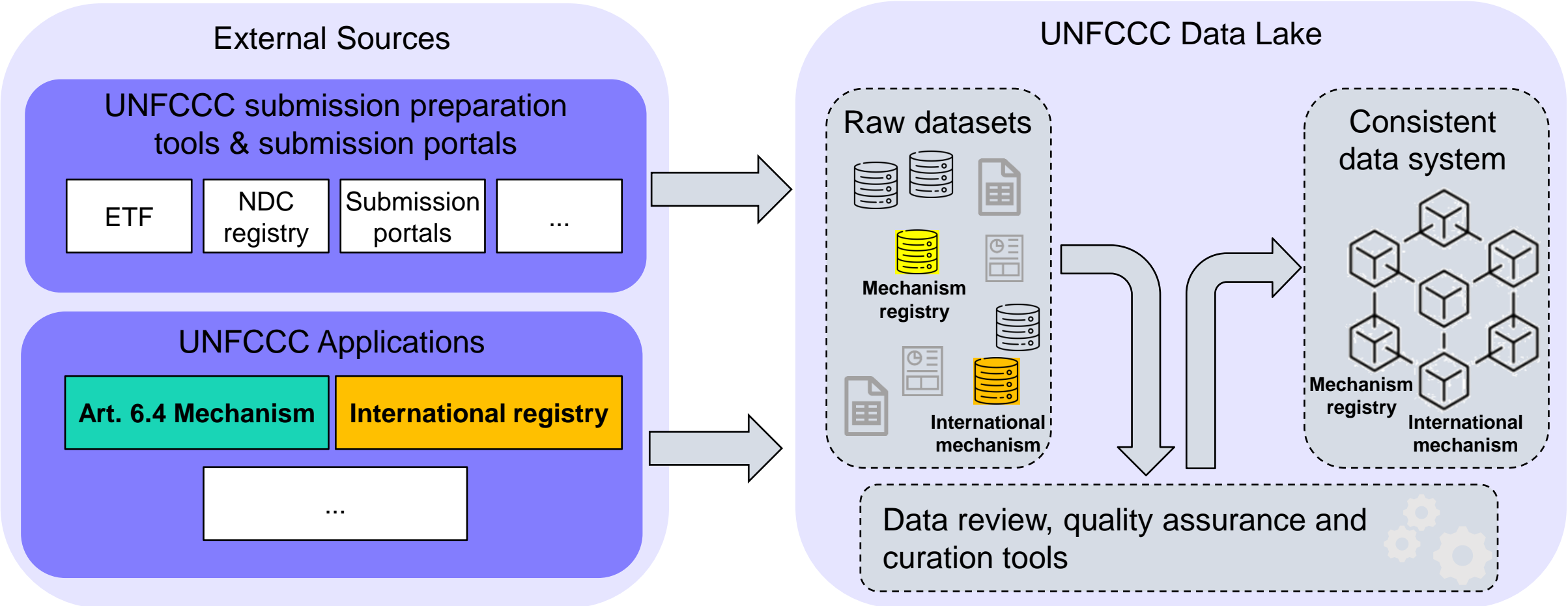
# Reporting under Art 6 : Macro Level



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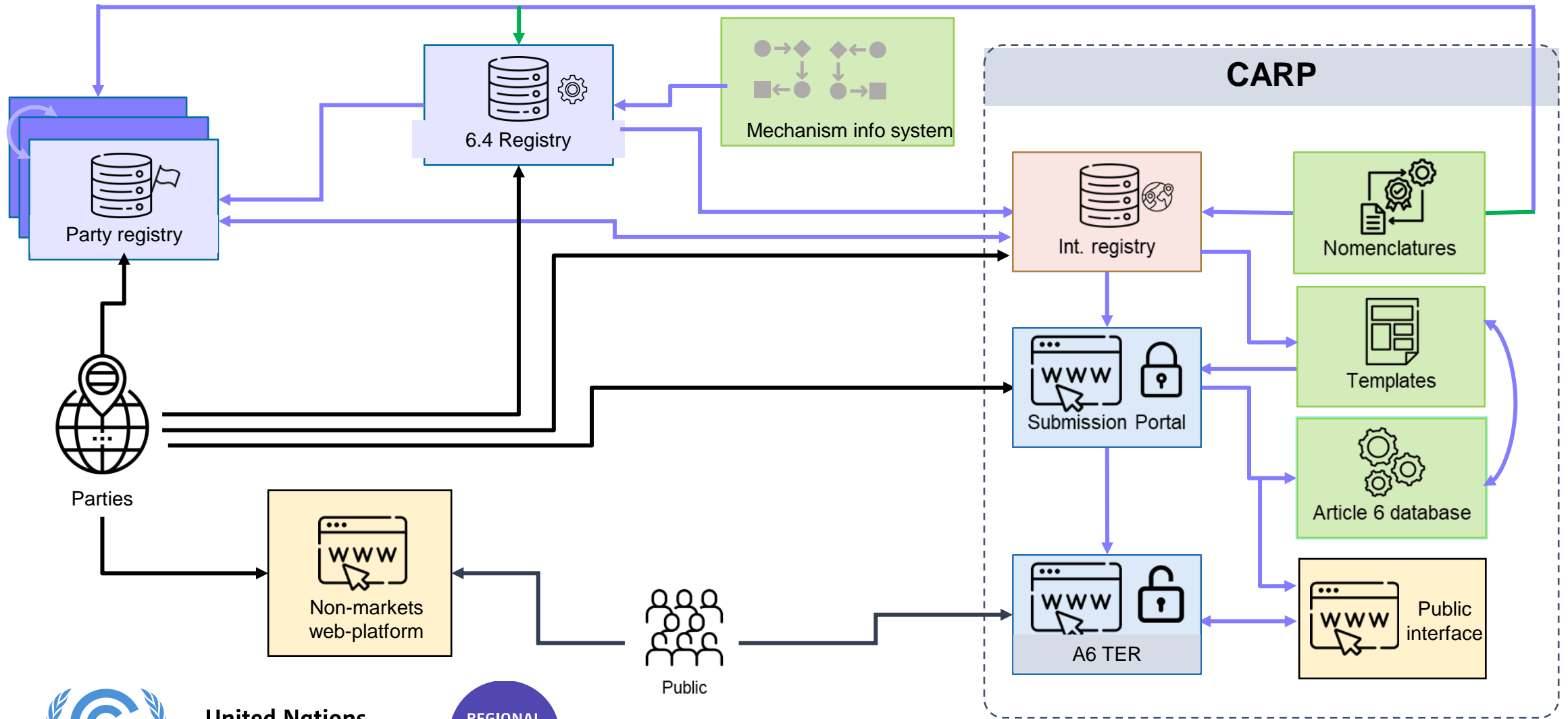
# Global Level Reporting



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# Infrastructure overview



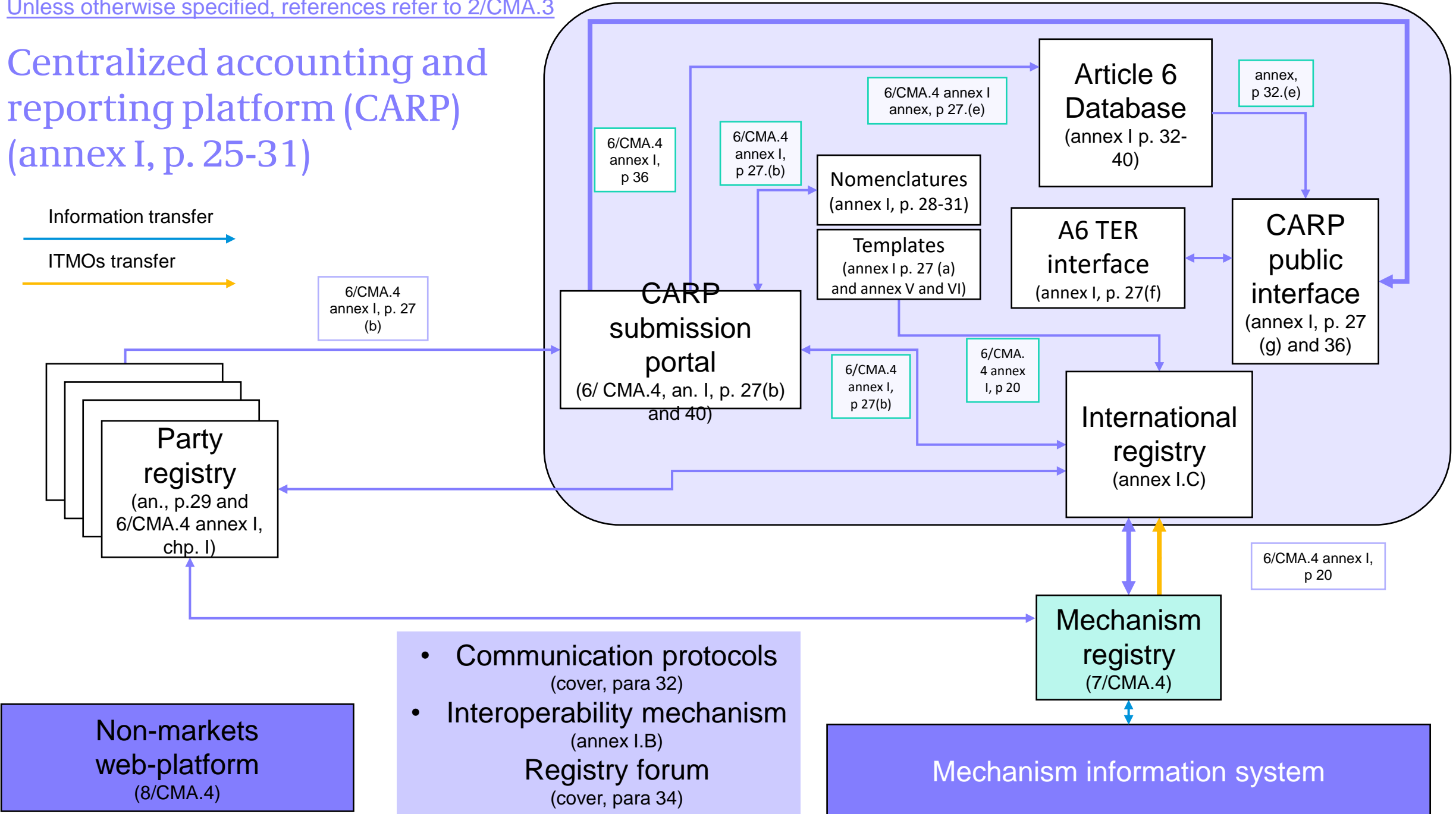
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Unless otherwise specified, references refer to 2/CMA.3

# Centralized accounting and reporting platform (CARP) (annex I, p. 25-31)

Information transfer  
ITMOs transfer



# Registry Software Technical and Functions

## 6.2

- **Database / data storage**
- **Software code that implements transaction management and the business rules processing.**
- **Access security, user and system authentication and authorization**
- **Infrastructure security**
- **User interface**
  - Account holders' interface
  - Public interface
- **Interoperability features**
  - Mechanism information system
  - The Article 6.2 international registry
  - The Article 6.2 centralized accounting and reporting platform, including the Article 6 database
  - Other as required – Party registries, cancellation platform, trading platforms/carbon exchanges



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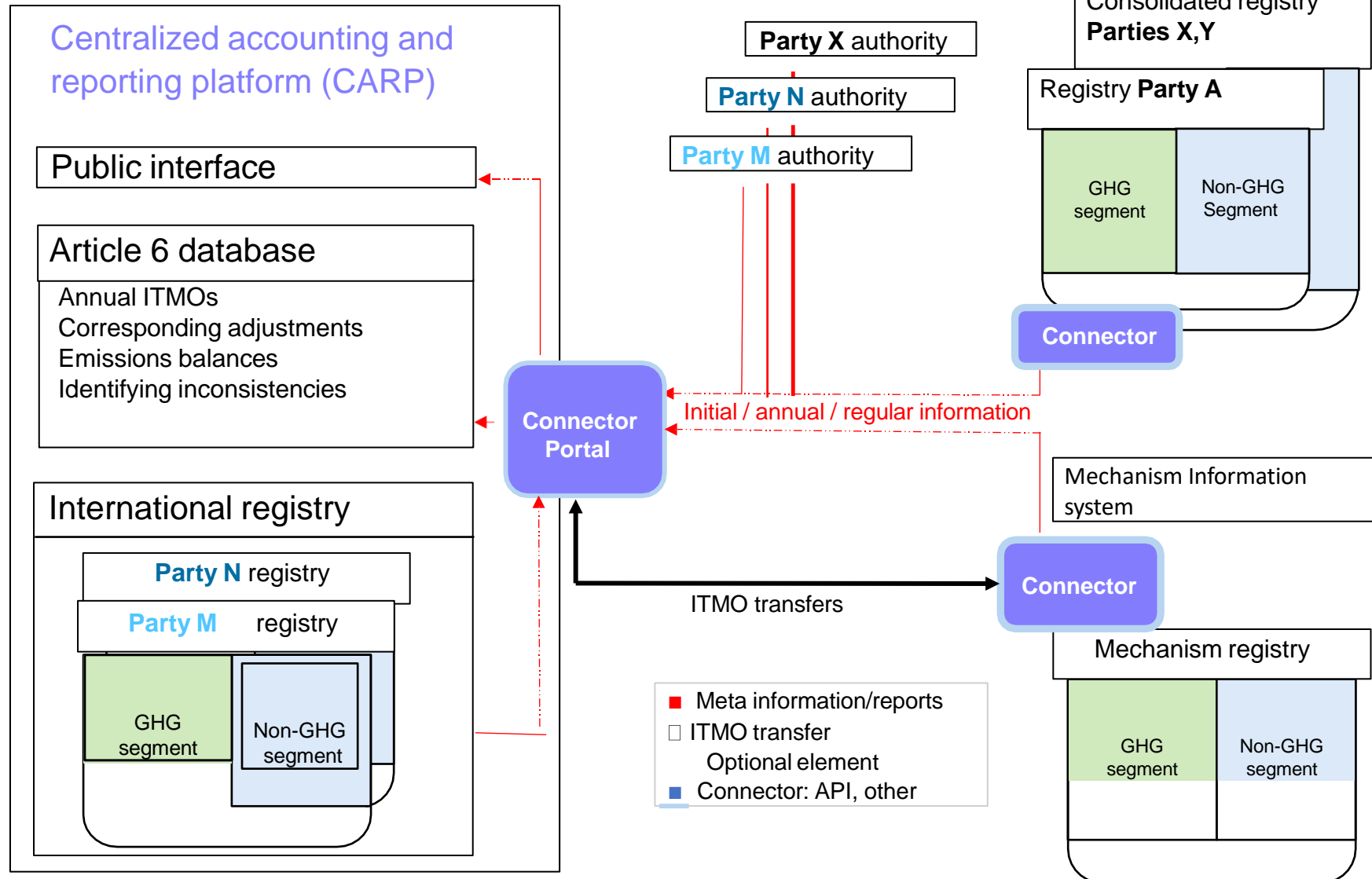
## 6.4

- **Maintain accounts** for Parties and authorized activity participants, Adaptation Fund Board, centrally managed accounts.
- **Issue serialized units** of Authorized A6.4ERs (ITMOs) and mitigation contribution A6.4ERs aka mitigation contribution units (MCUs)
- **Create serialized units of transitioned CERs**, including tracking of the original serial numbers of the CERs
- **Receive input on authorization** to assign/maintain authorization status of A6.4ERs
- **Perform transactions** with unit types between account types, including external transfers subject to CMA guidance
- **Track first transfer** for authorized A6.4ERs
- The software will implement **business rules applicable to ITMOs as per the Article 6.2 guidance** and will track authorized A6.4ERs consistently with the **agreed electronic format.**



# Article 6 and CARP

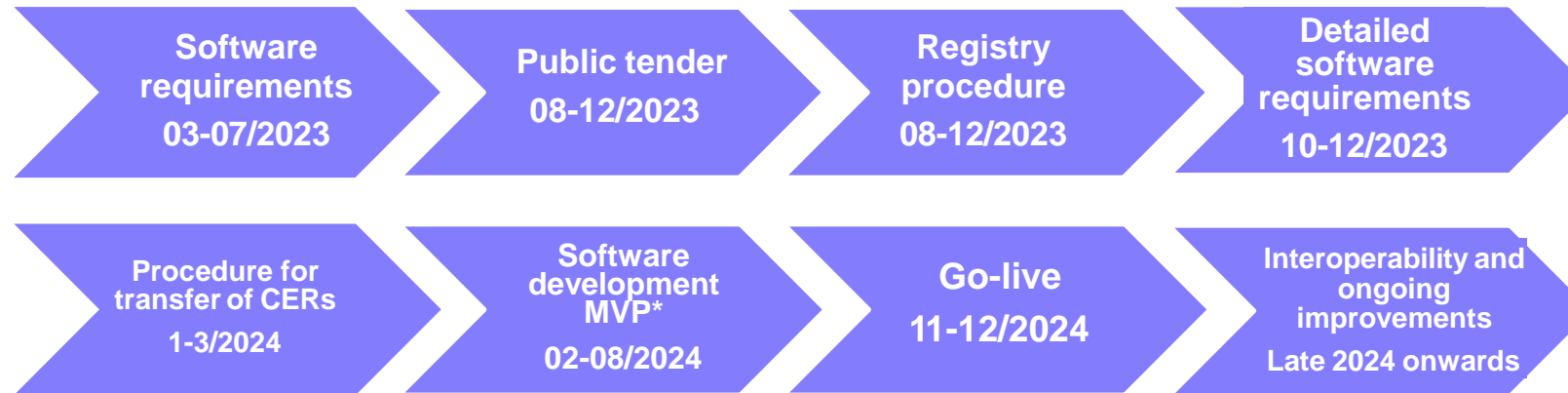
Centralized Accounting and Reporting Platform (CARP) information platform to publish all information submitted Parties in relation to Article 6.2



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# Implementation milestones and status of work



\* *MVP – minimum viable product*

- Initial market research was conducted in H1 of 2023, including with respect to service providers operating for the financial market.
- The high-level requirements have been completed and will undergo internal review.
- Procurement is being initiated.

## Due to dependency on future decisions:

- The technical design will provide for **flexibility** to define specific rules at a later point in time, including on an on-going basis during operation.



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# Reporting structure: Art. 6.2 and 6.4



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# Art 6.4 Mechanism Registry Relevant decisions

## Decision 3/CMA.3, annex, paragraphs 24(a)(v),54-55, 58-61, 63-70, 75

- The Supervisory Body shall establish the requirements and processes necessary to operate the registry
- The registry shall be operated according to best practice standards for registries
- The secretariat shall serve as the mechanism registry administrator
- The registry shall be connected to the Art.6.2 international registry
- Specific tracking rules
- Transfer of CERs from the CDM registry

## Decision 7/CMA.4, annex I, chapter II.A-B, chapter IV

- Process for transfer and use of CERs from the CDM registry
- Registry form and functions, transaction procedures, information and connection with the international registry, including the registry to be consistent with the requirements for registries contained in the guidance on cooperative approaches referred to in Art.6.2 and further relevant CMA decisions



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# Art 6.4 Mechanism Registry Relevant decisions

## Decision 2/CMA.3, annex, chapter IV

- Tracking requirements

## Decision 6/CMA.4, annex I, chapter I

- Guidance relating to registries
- Common nomenclatures

## Activity cycle procedures

- Modalities of communication
- Distribution request as part of the issuance request, including for addition quantity (*above 2 %*) of A6.4ERs for mandatory cancellation towards overall mitigation in global emissions



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# Article 6.2 Infrastructure by functions

Component Functions	Registry systems	Article 6 Database	The CARP
Records and tracks authorizations, holdings, transactions of ITMOs	Yes	Yes	No
Records/calculates/confirms: Annual data on ITMOs Corresponding adjustments Emission balances Indicators/adjusted (non-GHG)	No	Yes	No
Information (other than ITMOs) on cooperative approaches/mechanism	No	Yes	Yes
Provides information for the A6 technical expert review	TBD	Yes	Yes
Public information	TBD	No	Yes



# Planned & Agreed reporting requirements under Articles 13 and 6.2

Information item	Initial Report (draft A6.2 guidance)	Regular information (draft A6.2 guidance)	Annual information (draft A6.2 guidance)	BTR and/or NIR
Fulfilling participation requirements				
ITMO metrics				
ITMO authorization				
ITMO transfer				
Method for corresponding adjustment				
Description of the cooperative approach				
Expected mitigation of the cooperative approach				
Participating Parties involved				
ITMO use towards NDCs				
Annual GHG emissions covered by the NDC				
ITMO vintage, sector and activity type				
Emission balance adjusted on the basis of corresponding adjustment				
Information on how each cooperative approach promotes sustainable development, ensures environmental integrity and transparency				
Authorisation for use towards other international mitigation purposes				

# Functions

## Tracking of units

Host Party: ABC

Activity number: XXXXX

Sector: DEF

Activity type: GHI

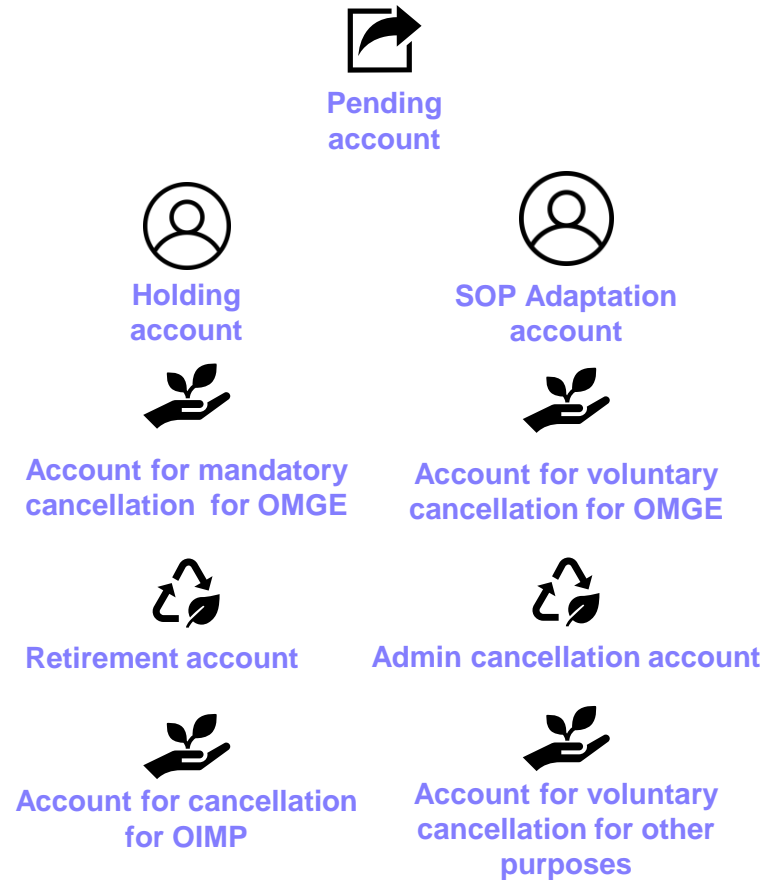
Vintage: 2022

Unit type: A6.4ER

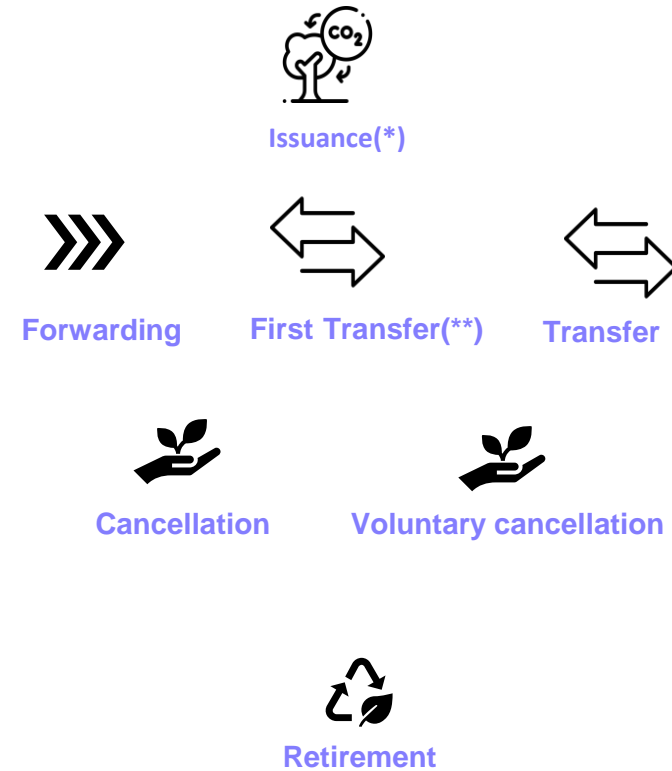
Serial range: 000001-000299

Quantity: 300 tCO2e

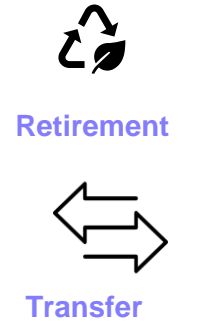
## Accounts



## Transactions with A6.4 ERs



## Transactions with CERs



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(\*) authorization status assigned at issuance in accordance with the statement by the Host Party – authorization not defined as transaction in its own right

(\*\*) transaction that meets the definition of first transfer is distinguished as a first transfer in the mechanism registry



# Agreed Electronic Format

## THREE MAIN BLOCKS

### 1. Actions performed with ITMOS, including:

- Authorization, First transfer, Transfer, Acquisition and use or cancellation.

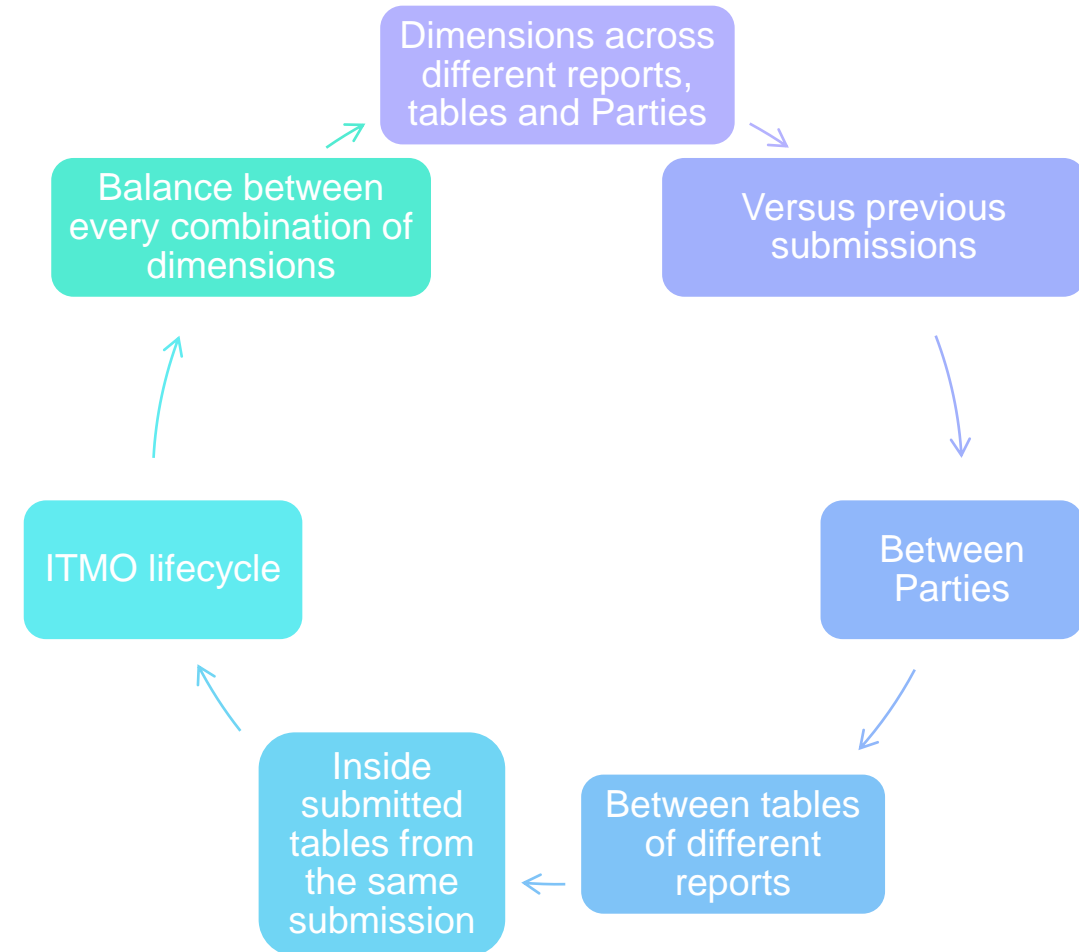
### 2. Holdings of ITMOs remaining in the balance of the Parties at the end of the reported period.

### 3. Information on ITMOs reported in the previous points (ITMO details):

- Information on unique identifiers.
- Information the metric and the quantity of the reported block of ITMOs.
- Information on the vintage, First transferring participating Party, the sector and the activity type of the ITMOs.
- Information on the authorization, including identifier and uses
- Information on the first transfer flag when authorized uses include OIMP.



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# Thank you for attending!



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# Agreed Electronic Format

Activities	2022	2023 on
Reporting formats and outlines	✓	
Further guidance	✓	
CARP, A6DB, registries, Art.6.8 web-platform		✓

## Risks for CMA

- Delay on reporting formats
- Resource mobilization
- Lack of information on the intended use of the international registry
- Misalignment on interoperability between registries



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# Agreed Electronic Format (Content)

The information included in the draft of AEF:

## ITMO Identification

- Article 6D ID (once stored in it)
- ITMO ID
- It's authorization ID
- Underlying mitigation ID (if required)

## ITMO details

- Metric and quantity
- Sector and activity type
- Vintage
- First transferring Party

## Authorization details

- Date of Authorization
- Purpose of the authorization
- OIMP authorized by the Party

## First transfer definition:

- First Transfer definition

The tables should also contain information on action details:

## Actions details:

- Action date
- Action type
- Transferring participating Party
- Acquiring participating Party
- Purposes for cancellation
- Year of use for NDC\*
- Using participating Party or authorized entity or entities
- First transfer

\*This field is not included in the draft version of the AEF of the Annex VII of 6/CMA.4



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# Agreed Electronic Format

Tables for submitting the agreed electronic format referred to in decision 2/CMA.3, annex, chapter IV.B (Annual information)  
[https://unfccc.int/sites/default/files/resource/Article%206.2\\_SBSTA\\_INFORMAL%20document.pdf](https://unfccc.int/sites/default/files/resource/Article%206.2_SBSTA_INFORMAL%20document.pdf)

Table 1 Agreed electronic format: **Heading**

Table 2 Agreed electronic format: **Actions**

Table 3 Agreed electronic format: **Holdings**

Table 4 Information as per decision 2/CMA.3, annex, paragraph 23: heading (**Corresponding Adjustments**)

Table 5 Information as per decision 2/CMA.3, annex, paragraph 23 (except for paragraph 23(j))

Table 6 Information as per decision 2/CMA.3, annex, paragraph 23(j)

Table 7. Cumulative information in respect of the annual information as per decision 2/CMA.3, annex, paragraph 23(h): **use of ITMOs**

Table 8. **Cumulative information** in respect of the annual information as per decision 2/CMA.3, annex, paragraph 23(h): **first transfer of ITMOs**



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# Agreed Electronic Format

SBSTA57/A6.2/InfDoc

**Table 8. Cumulative information in respect of the annual information as per decision 2/CMA.3, annex, paragraph 23(h): first transfer of ITMOs**

Line no.	Cooperative approach <sup>a</sup>	ITMO										
		ITMO ID				Metric and quantity			ITMO details			
		ID/first ID <sup>b</sup>	Last ID <sup>c</sup>	First serial number <sup>d</sup>	Last serial number <sup>e</sup>	Metric <sup>f</sup>	Quantity (expressed in metric) <sup>g</sup>	Quantity (t CO <sub>2</sub> eq)	Emission factor (reporting Party) <sup>h</sup>	Acquiring Party <sup>i</sup>	Vintage <sup>j</sup>	Sector(s) <sup>k</sup>
	Cooperative approach Article 6.4 mechanism											Energy IPPU AFOLU Waste

(Table continues)

Authorization			
Date of authorization <sup>m</sup>	Evidence of authorization <sup>n</sup>	Purposes for authorization	OIMP authorized by the Party <sup>o</sup>
		NDC	
		OIMP	
		NDC and OIMP	

**Article 6.2**

**Article 6.4**

[https://unfccc.int/sites/default/files/resource/Article%206.2\\_SBSTA\\_INFORMAL%20document.pdf](https://unfccc.int/sites/default/files/resource/Article%206.2_SBSTA_INFORMAL%20document.pdf)



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