

International Transaction Log (ITL)

Budget and methodology for the collection of ITL fees
for the biennium 2020-2021

Bonn, Germany

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- Decisions 24/CP.8, 16/CP.10, 13/CMP.1

Annex to decision 13/CMP.1, para. 38:

“ The secretariat shall establish and maintain an international transaction log to verify the validity of transactions, including issuance, transfer and acquisition between registries, cancellation and retirement ...”

- ITL budget proposal for the biennium 2020-2021

Available on the UNFCCC site, document **FCCC/SBI/2019/4/Add.2**



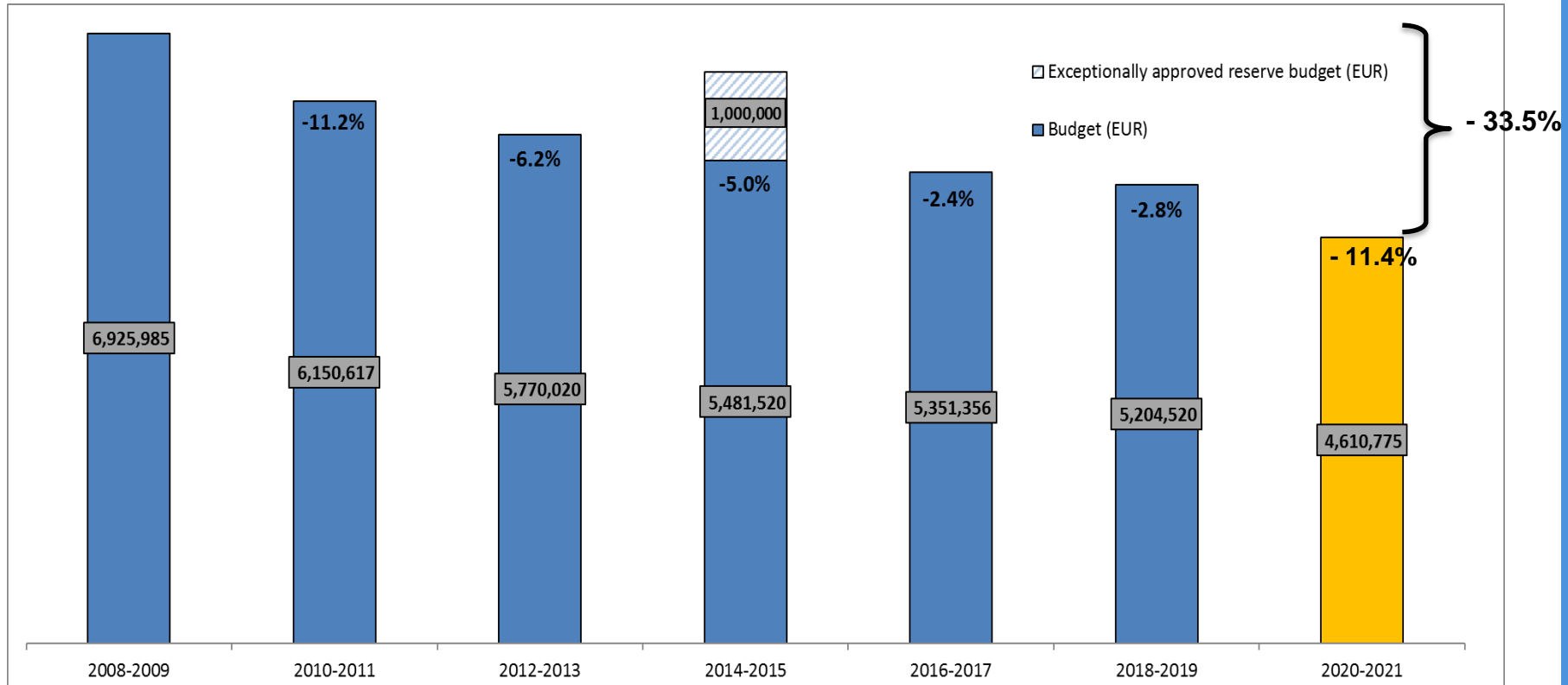
- (a) Providing technical services through the ITL to enable national registries and the CDM registry to perform transactions of Kyoto Protocol units
- (b) Ensuring the reliable hosting of the ITL
- (c) Providing support to national registries, the consolidated system of European Union registries, including the European Union transaction log, the CDM registry, the joint implementation and CDM information systems and the CAD
- (d) Initializing and performing go-live events for registries not yet connected
- (e) Supporting changes to the data exchange standards and new releases of the software
- (f) Facilitating the annual reporting on and review of national registries and assigned amounts



- (g) Administering and maintaining the RSA extranet
- (h) Facilitating cooperation among RSAs through the RSA Forum and its working groups in order to ensure that registry systems are accurate, efficient and secure
- (i) Supporting the testing activities of the ITL and registry systems
- (j) Offering online training and guidance materials to RSAs and relevant experts from Parties to the Kyoto Protocol that are not included in Annex I
- (k) Fulfilling obligations as the ITL administrator in accordance with all applicable decisions of the COP and the CMP
- (l) Monitoring and supporting negotiations and implementation of transitional arrangements relating to Article 6 of the Paris Agreement where these have an impact on the ITL



Evolution of the budget from 2008 to 2019



MEASURES TAKEN INTO ACCOUNT IN THE BUDGET PROPOSAL

- (a) Optimizing the **data centre hosting**, technology refresh, and licence and third-party support costs of the required hardware and software
- (b) Systematizing, documenting and addressing **typical incident, user error and user problem** scenarios
- (c) **Simplifying registry testing arrangements**, registry contact management and digital certificate management with the goal of reducing the associated costs
- (d) **Engaging RSAs** in the centralized annual review of national registries
- (e) Providing options for **virtual participation and remote meetings**, with a view to lowering travel and meeting costs
- (f) Identifying **ways to employ secretariat staff** instead of consultants or contractors, where possible, including options for consolidating activities related to the ITL service desk, software development and/or application support



CHALLENGES

- Ensuring business as usual within the new data centre hosting vendor
- Uncertainty related to the future after the second commitment period of the Kyoto Protocol

OPPORTUNITIES

- Ongoing negotiations on Article 6 under the Paris Agreement
- Interest from Parties and international organizations on the ITL and registry systems



Key principles of the methodology have been previously recognized by the CMP:

- a) Sufficient funding ► Achieved through a realistic, bottom-up estimated budget proposal

- b) Stable & reliable ►
 - Budget has been „switched“ from USD to EUR (stable)
 - Fees are the same in the first and second year (stable)
 - Budget does not depend on the number of transactions (scale of fees) (reliable)
 - Allows the Executive Secretary to disconnect a Party from the ITL in the event of non-payment (reliable)
 - Allows a Party to disconnect from the ITL with a resulting fee shortfall drawn up from the ITL carried-over funds (reliable)

- c) Use of carried-over funds provide for stability of the contributions
 - Using 2.5 M EUR from carryover funds lead to a 22% decrease in total contributions compared to 2018-2019



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