

Hybrid Workshops relating to Article 6.2 and 6.4 of the Paris Agreement

The Agreed Electronic Format:

- Authorizations
- Table 2 & the Action of Authorization

Baku, Azerbaijan, 2 to 4 October 2024



Internationally transferred mitigation outcomes

1. Internationally transferred mitigation outcomes (ITMOs) from a cooperative approach are:

[...]

(d) From a cooperative approach referred to in Article 6, paragraph 2, (hereinafter referred to as a cooperative approach) that involves the international transfer of mitigation outcomes **authorized** for use towards an NDC pursuant to Article 6, paragraph 3;

[...]

(f) Mitigation outcomes **authorized** by a participating Party **for use for international mitigation purposes** other than achievement of an NDC (hereinafter referred to as international mitigation purposes) **or authorized for other purposes as determined by the first transferring participating Party** (hereinafter referred to as other purposes) (international mitigation purposes and other purposes are hereinafter referred to together as other international mitigation purposes);

(g) Article 6, paragraph 4, emission reductions issued under the mechanism established by Article 6, paragraph 4, when they are **authorized** for use towards achievement of NDCs and/or authorized for use for other international mitigation purposes;

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[...]

Internationally transferred mitigation outcomes

20. Each participating Party shall, on an annual basis by no later than 15 April of the following year and in an agreed electronic format, submit for recording in the Article 6 database referred to in chapter VI.B below (Article 6 database):

2/CMA.3, annex, paragraph 20

- (a) Annual information on authorization of ITMOs for use towards achievement of NDCs, authorization of ITMOs for use towards other international mitigation purposes**, first transfer, transfer, acquisition, holdings, cancellation, voluntary cancellation, voluntary cancellation of mitigation outcomes or ITMOs towards overall mitigation in global emissions, and use towards NDCs;
- (b)** In respect of the above, the cooperative approach, **the other international mitigation purpose authorized by the Party**, the first transferring participating Party, the using participating Party or **authorized entity or entities, as soon as known**, the year in which the mitigation occurred, the sector(s) and activity type(s), and the unique identifiers.



Internationally transferred mitigation outcomes and authorization

ITMOs are authorized for:

- Use towards an NDC pursuant to Article 6, paragraph 3.
- Use for international mitigation purposes other than achievement of an NDC (IMP)
- Other purposes as determined by the first transferring participating Party (OP)

This authorization has to be reported in the annual information including:

- Including the other purpose, or international mitigation purpose
- The authorized entities.

Table 2 [and] or 3 in the AEF can be used to report this information. The current draft text has two views:

- Report authorization as an action in table 3 and information on the authorization in table 2
- Report the authorizations that has been emitted on table 2.



Reporting obligation for the ITMOs

Recalling para 20 (a):

(a) Annual information on **authorization of ITMOs for use towards achievement of NDCs, authorization of ITMOs for use towards other international mitigation purposes**, first transfer, transfer, acquisition, **holdings**, cancellation, voluntary cancellation, voluntary cancellation of mitigation outcomes or ITMOs towards overall mitigation in global emissions, and use towards NDCs;

Holdings are:

$$\begin{array}{ccc} \text{Add to holdings} & - & \text{Remove from holdings} \\ \underbrace{\hspace{15em}} & & \underbrace{\hspace{15em}} \\ (\text{ITMOs authorized} + \text{ITMOs acquired}) & - & (\text{ITMOs used or cancelled} + \text{ITMOs transferred}) \end{array}$$

Once a mitigation outcome is authorized, and receives an ITMO ID, it should be reported in the AEF



Options to submit annual information on authorizations

- Para 20 does not specify which information needs to be reported in relation to authorization of ITMOs, other than the **authorization of uses** and in respect of OIMP, the **specific OIMP use** (i.e., IMP or OP).
- However, some minimum information is required in addition to perform consistency checks:
 - Date of authorization
 - Cooperative approach for that authorization
 - First transfer as per para 2
 - ITMOs need to be linked with an authorization, through an ID

Since authorization information must be published in the CARP, it may be an ideal location for all authorization-related data, which can make the AEF easier to read



Options to submit annual information on authorizations

Option 1 in current draft text:

- When a Party **grants an authorization**, this authorization is reported in table 2.
- When reporting other actions on ITMOs that are authorized, the ITMOs **have to refer to the Authorization ID**.
- ITMOs whose authorization was granted in previous AEFs require a reliable repository of authorizations for transparency purposes (**CARP could fulfill this role**)

Note, *clarity may be needed, when an MO in a registry is linked to an authorization (and thus a ITMO unique identifier has been created), how the reporting should be done?*



Options to submit annual information on authorizations

Option 2 in current draft text:

- When a mitigation outcome is authorized (linked to an authorization ID in the registry) needs to be reported as an **authorization action** in table 3.
- **Details about the authorization** of all ITMOs reported in the AEF are logged in table 2.
- This approach has information about the authorization of an ITMO in the AEF **independently of in which year the ITMO was authorized.**

Note, *clarity may be needed, regarding reporting information on authorizations that are not yet linked to a specific MO?*

