U.S. Views on <u>the Nature of</u> Article 6.2 Authorizations

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

Baku | Azerbaijan | 2 – 3 October

There is a strong basis and need for cooperative approach-level authorizations of the use of ITMOs.

QUESTION: Is "authorization" used in decision 2/CMA.3 consistently to refer to the same process/element (cooperative approach, use of ITMOs, entities) or differently to refer to different processes / elements?

- Decisions from CMA.3 and CMA.4 references to authorization are guided by—and consistent with—the authorization referred to in Article 6.3: [of] the use of ITMOs.
- References to authorization and the use of / ITMOs feature over 90 times across those decisions, including the chapeau to paragraph 18 of 2/CMA.3
 - Tying "the authorization", in paragraph 18(g), to the authorization of the use of ITMOs from a cooperative approach.

There is a strong basis and need for cooperative approach-level authorizations of the use of ITMOs.

- Textual arguments aside, the United States considers that the authorization referred to in Article 6.3 and throughout 6.2 guidance must:
 - Be set out <u>at the cooperative approach level</u>
 - Include sufficient information about the cooperative approach and the scope of the authorization to enable participants (in the cooperative approach and the relevant underlying regulatory framework or certification mechanism) to identify which mitigation outcomes are / not covered by the authorization.
- The SBSTA60 draft contents pertaining to authorization contents contain most (if not all) of the key details that would meet these objectives.
- Article 6.3, existing guidance, and 6.2 infrastructure do not support authorizations being effected through the issuance of mitigation outcomes (as tradable units / assets).

There is a strong basis and need for cooperative approach-level authorizations of the use of ITMOs.

QUESTION: Is it sufficient that "all authorizations" (cooperative approach, use of ITMOs, entities) are provided in a single document/process or at different times and if so how would be appropriate to sequence the authorization of different elements?

- We recognize that some Parties may wish to expand the scope of a cooperative approach-level authorization of the use of ITMOs over time, to include, e.g.,
 - Additional authorized Parties or entities, as applicable
 - Specific activities that the Party determines to meet conditions for authorization that are set out in a cooperative approach-level authorization
- We believe that these additions can be incorporated as living attachments to the authorization, or through cross reference; in that case, any updates (and an updated copy of the authorization) would be summarized and included with the next Regular Information report.