

Article 6.2 of the Paris Agreement

Requirements for the infrastructure

UNFCCC secretariat – May 2022



Content

This slide-deck is prepared in relation to the requirements for the Article 6.2 infrastructure as per chapter IV of the annex to decision 2/CMA.3.

- **Summary of the requirements** for the:
 - Registries
 - International Registry
 - The mechanism registry (as supporting reporting under Article 6.2)
 - Article 6 Database (Art 6 DB)
 - Centralized Accounting and Reporting Platform (CARP)
- **Infrastructure overview and functions**
- **Key issue identified in Party submissions**
 - As of 10 May 2022, **4 Parties** have made submissions

Note: Unsolicited submission made by observers to the process are for Party information only and are not analyzed



Summary of requirements



Summary of requirements Registries

Ref.(*)	Requirement for the registries	Subject
Para 9	Each participating Party with an NDC containing non-GHG metrics determined by the participating Parties engaging in a cooperative approach involving ITMOs traded in non-GHG metrics shall apply corresponding adjustments pursuant to paragraph 7 above, on the basis of ITMOs recorded in a metric-specific registry account	Accounts
Para 29	Each participating Party shall have, or have access to, a registry for the purpose of tracking and shall ensure that such registry records, including through unique identifiers, as applicable, authorization, first transfer, transfer, acquisition, use towards NDCs, authorization for use towards other international mitigation purposes, and voluntary cancellation (including for overall mitigation in global emissions, if applicable), and shall have accounts as necessary.	Transactions Identifiers Accounts

()Paragraphs in this slide deck are paragraphs of the annex to decision 2/CMA.3, unless otherwise stated*



Summary of requirements

International registry

Ref.	Requirement for the international registry	Subject
Para 30	The secretariat shall implement an international registry for participating Parties that do not have or do not have access to a registry. The international registry shall be able to perform the functions set out in paragraph 29	Transactions Identifiers Accounts
Para 30	Any Party may request an account in the international registry	Accounts
Para 31	The international registry shall be part of the centralized accounting and reporting platform	Interoperability



Summary of requirements

Mechanism registry

Ref.	Requirement for the mechanism registry	Subject
3/CMA.3, annex, Para 45	Other participating Parties shall provide to the Supervisory Body the Article 6, paragraph 4(b), authorization for public or private entities to participate in the activity as activity participants under the mechanism prior to any first transfer of any A6.4ERs to the mechanism registry account of such Party or public or private entity.	Accounts
3/CMA.3, annex, Para 54	The mechanism registry administrator shall, in accordance with the relevant requirements adopted by the Supervisory Body, issue the A6.4ERs into the mechanism registry.	Transactions
3/CMA.3, annex, Para 55	The mechanism registry shall distinguish A6.4ERs that are authorized for use towards the achievement of NDCs and/or for use for other international mitigation purposes pursuant to chapter V.C above (Approval and authorization), including any specified uses for which the A6.4ERs are authorized.	Functions (<i>Tracking authorized uses</i>)



Summary of requirements

Mechanism registry

Ref.	Requirement for the mechanism registry	Subject
3/CMA.3, annex, Para 58	At issuance, the mechanism registry administrator shall effect a first transfer of 5 per cent of the issued A6.4ERs to an account held by the Adaptation Fund in the mechanism registry for assisting developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation.	Transactions Accounts
3/CMA.3, annex, Para 59	At issuance, the mechanism registry administrator shall also effect a first transfer, for cancellation, of a minimum of 2 per cent of the issued A6.4ERs to the account for cancellation for delivering overall mitigation in global emissions in accordance with chapter VIII below (Delivering overall mitigation in global emissions).	Transactions Accounts
3/CMA.3, annex, Para 60	The mechanism registry administrator shall forward or effect a first transfer, as applicable, of the remaining issued A6.4ERs in accordance with the instructions of the activity participants and with any further modalities adopted by the CMA and relevant requirements adopted by the Supervisory Body.	Transactions
3/CMA.3, annex, Para 61	Activity participants may voluntarily request the mechanism registry administrator to cancel in the mechanism registry a specified amount of A6.4ERs issued in respect of their Article 6, paragraph 4, activity.	Transactions



Summary of requirements

Mechanism registry

Ref.	Requirement for the mechanism registry	Subject
3/CMA.3, annex, Para 63	The mechanism registry shall contain at least a pending account, holding account, retirement account, cancellation account, account for cancellation towards overall mitigation in global emissions and a share of proceeds for adaptation account, as well as a holding account for each Party and each public or private entity authorized per Article 6, paragraph 4(b), by a Party that requests an account where that entity meets the requisite identification requirements developed by the Supervisory Body.	Accounts Interoperability
	The mechanism registry shall be connected to the international registry referred to in decision 2/CMA.3.	
3/CMA.3, annex, Para 64	The mechanism registry shall be developed and operationalized in accordance with the relevant requirements adopted by the Supervisory Body {...}.	Governance
3/CMA.3, annex, Para 65	The secretariat shall serve as the mechanism registry administrator and maintain and operate the mechanism registry under the supervision of the Supervisory Body.	Governance



Summary of requirements

Mechanism registry

Ref.	Requirement for the mechanism registry	Subject
3/CMA.3, annex, Para 69	<p>Delivery of overall mitigation in global emissions shall be enhanced through mandatory cancellation of A6.4ERs that are also accounted for in accordance with the following:</p> <p>(a) The mechanism registry administrator shall effect a first transfer of a minimum of 2 per cent of the issued A6.4ERs to the cancellation account in the mechanism registry for overall mitigation in accordance with chapter V above (Article 6, paragraph 4, activity cycle), where those A6.4ERs shall be cancelled {...}</p>	Transactions Accounts
3/CMA.3, annex, Para 75	<p>Certified emission reductions (CERs) issued under the CDM may be used towards achievement of an NDC provided the following conditions are met: {...}</p> <p>(b) The CERs shall be transferred to and held in the mechanism registry and identified as pre-2021 emission reductions;</p>	Functions <i>(Tracking pre-2021 emission reductions)</i>



Summary of requirements

Article 6 Database

Ref.	Requirement for the Art. 6 database	Subject
Para 32	<p>For transparency in relation to cooperative approaches, to record and compile the information submitted by participating Parties pursuant to chapter IV.B–C above (Reporting) and to support the review referred to in chapter V above (Review), the secretariat shall implement an Article 6 database as part of and integrated with the centralized accounting and reporting platform.</p> <p>The Article 6 database shall enable the following:{...}</p>	Functions
Para 32(a)	<p>Recording of corresponding adjustments and emissions balances and information on ITMOs first transferred, transferred, acquired, held, cancelled, cancelled for overall mitigation in global emissions, if any, and/or used by participating Parties, through identification of ITMOs by unique identifiers that identify, at the minimum, the participating Party, vintage of underlying mitigation, activity type and sector(s)</p>	Functions Data content Identifiers
Para 32(b)	<p>Identifying inconsistencies to be notified to the participating Party or participating Parties, as applicable.</p>	Functions



Summary of requirements

Article 6 Database

Ref.	Requirement for the Art. 6 database	Subject
Para 20	<p>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 (...)</p> <p>(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;</p> <p>(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.</p>	Functions Data content
Para 23	Each participating Party shall submit the following annual information (reported biennially) (...) and any updates to information submitted for previous years in the NDC implementation period to the Article 6 database (...) and shall include it in the structured summary (...)	Functions Data content



Summary of requirements

The CARP

Ref.	Requirement for the CARP	Subject
Para 35	For transparency in relation to cooperative approaches and to support the review referred to in chapter V above (Review), the secretariat shall establish and maintain a centralized accounting and reporting platform for publishing information submitted by participating Parties {...}	Functions
Para 36	The secretariat shall:	Functions Data content
	(a) Maintain public information on cooperative approaches and ITMOs by extracting relevant non-confidential information {...}	
	(b) Maintain links to the publicly available information submitted by participating Parties {...};	
Para 31	The international registry shall be part of the centralized accounting and reporting platform	Interoperability
Para 32	...the secretariat shall implement an Article 6 database as part of and integrated with the centralized accounting and reporting platform.	Interoperability



Infrastructure overview and functions

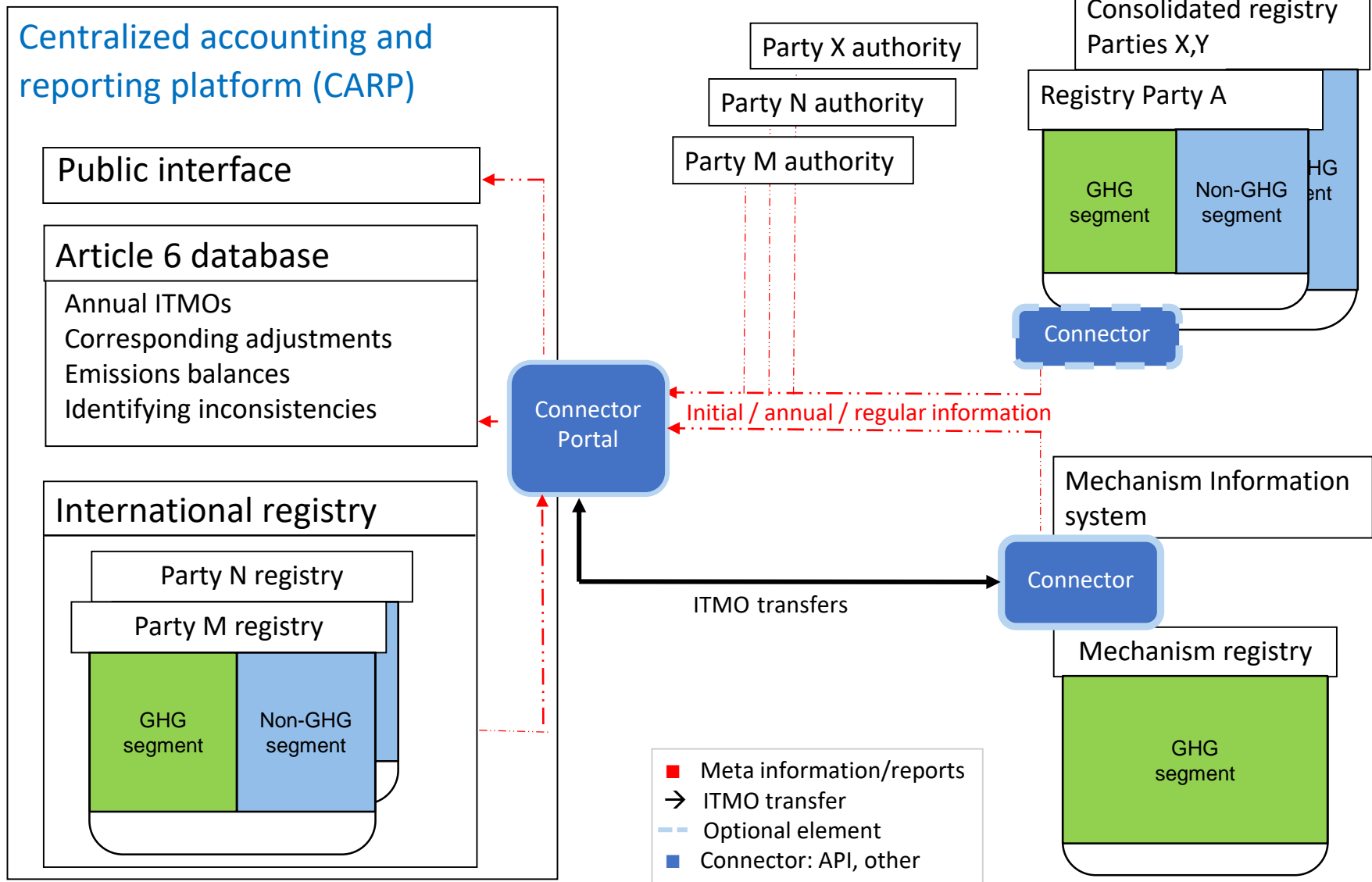


Infrastructure by functions

Functions	Component		
	Registry systems	Article 6 Database	The CARP
Records and tracks authorizations, holdings, transactions of ITMOs	Yes	No	No
Records/compiles/consistency check as per 33 (a): 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
Enables identifying inconsistencies to be notified to the participating Party/Parties	No	Yes	No
Provides information for the A6 technical expert review	TBD	Yes	Yes
Public information	TBD	No	Yes



Infrastructure overview



Key issues identified in Party submissions



Key issues identified in Party submissions

Registries

Parties have made the following points regarding the registries

Issue	Proposal
Possible format	Developing countries could use excel based tracking or add a module to their national NDC MRV systems for tracking the cooperative approaches activities while the international registry or national registries are being developed
	Unique identifiers: further guidance and/or rules have to be clarified
Infrastructure	Two options proposed: one registry per Party or one registry per cooperative approach
	Standardization of infrastructure through common specifications and/or a minimum set of procedures
	Parties could align their registry to the international registry
	The international registry could be developed based on the CDM registry



Key issues identified in Party submissions

Registries

Parties have made the following points regarding the registries

Issue	Proposal
Interoperability	There could be agreed processes to transfer ITMOs from one registry to another
	Need for alignment of information exchanges between the registry and/or registries and the national authority in charge of Article 6.2 reporting with authorization procedures
Funding and capacity building	Funding and capacity building should be aspects of focus
Infrastructure, possible formats	The secretariat should solicit opinions and suggestions from Parties and relevant stakeholders during systems development process, and invite Parties to conduct system testing for optimizing system design



Key issues identified in Party submissions

Article 6 database and the CARP

Parties have made the following points regarding the Article 6 database and the CARP

Issue	Proposal
Infrastructure	Guidance on 6.2. does not imply any mandatory linkages between the registry and the Article 6 database and/or the CARP, except for national reporting under Article 6.2
	The Article 6 database design should consider strengthening its statistical analysis function to facilitate information acquisition and analysis by stakeholders
Confidentiality	Only non-confidential information should be published
	Confidentiality should be maintained by the secretariat for confidential information on inconsistencies
Infrastructure, possible formats	The secretariat should solicit opinions and suggestions from Parties and relevant stakeholders during systems development process, and invite Parties to conduct system testing for optimizing system design

