

Article 6: reporting and review links with the ETF

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*based on discussions at the CCXG October 2018 GFE and
Vaidyula and Rocha (2018, draft),*

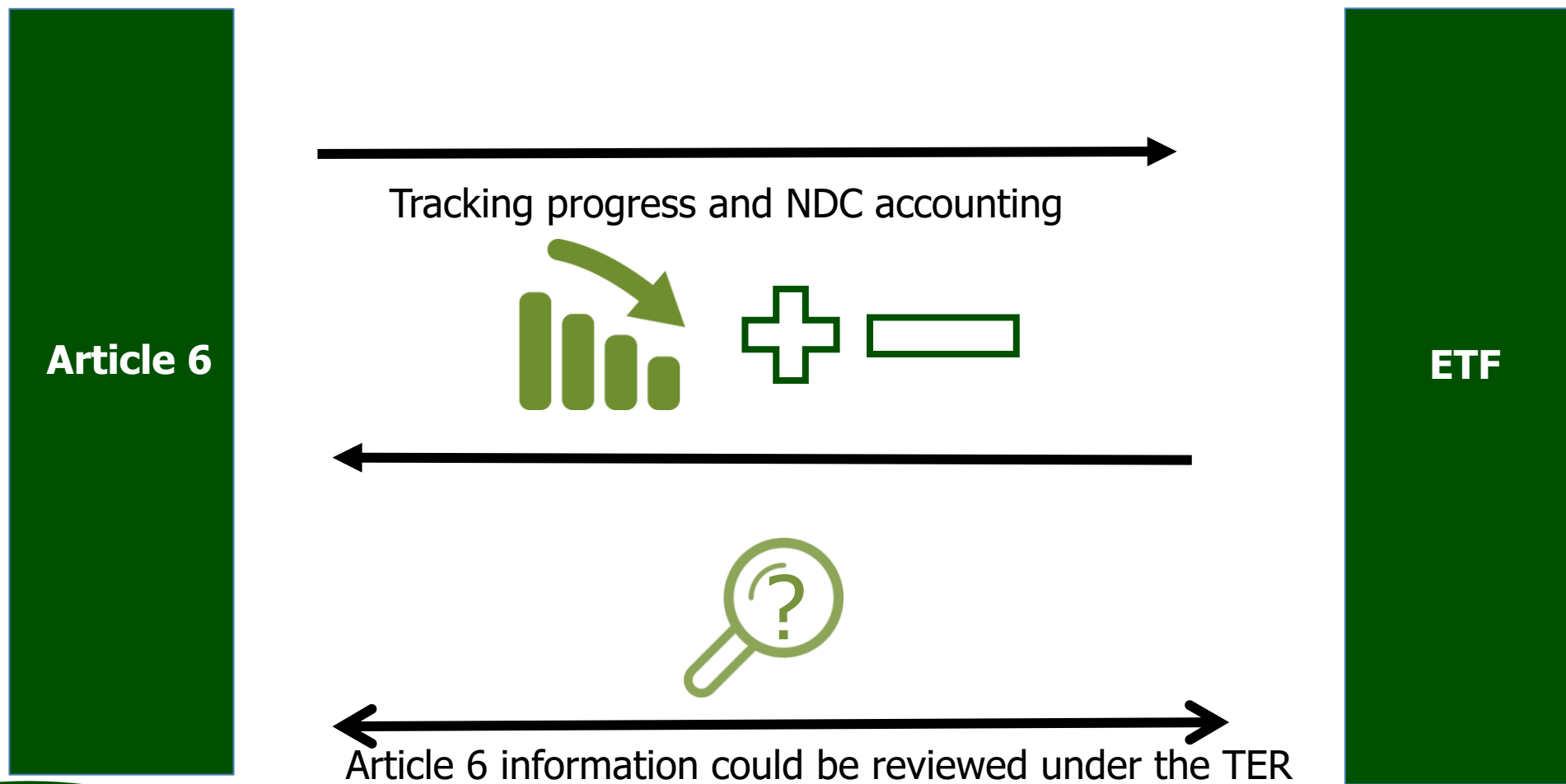
*Exploring reporting and review needs and addressing linkages
between Articles 4, 6, and 13 in the context of tracking progress*

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Outline

- Linkages between Article 6 and ETF: reporting and review
- What to report and what considerations for reporting?
- The possible role of the TER: issues and implications
- Conclusions
- Addressing the brief

What are the links between Article 6 and the ETF?



Units used towards NDCs (1/3)

Issues and Implications

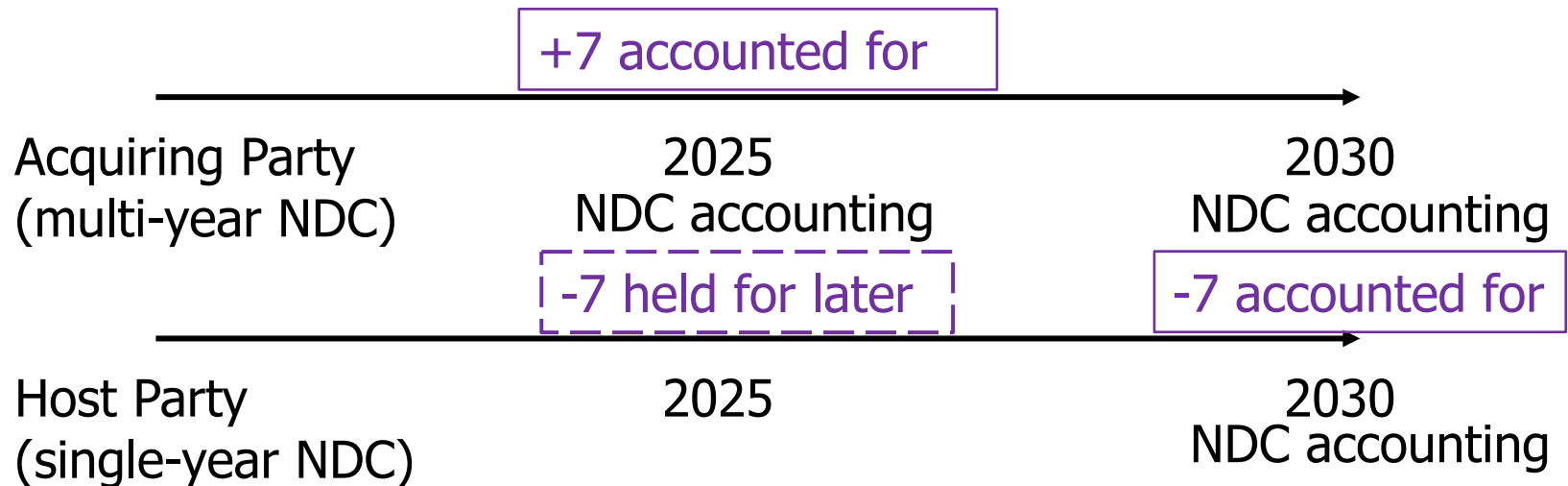
- Tracking the pair of corresponding adjustment in NDC accounting of trading Parties

NDC accounting – host Party	NDC accounting – acquiring Party	VS	NDC accounting – host Party	NDC accounting – acquiring Party
-7 -2 +3	+7 +5		-6	+12

Units used towards NDCs (2/3)

Issues and Implications

- Different accounting and reporting of units, e.g. reporting units that will be held for using towards NDCs at a later point



Units used towards NDCs (3/3)

Issues and Implications

- Compatibility between reported units and NDC target for NDC accounting

$$\begin{array}{r} 100 \text{ GWh} \\ + 100 \text{ tCO}_2\text{eq.} \\ \hline ? \\ \hline \end{array}$$

Article 6 units
NDC target formulation

Units that are not used towards NDCs

- For example, units:
 - issued by Parties without a mitigation target in their NDC
 - acquired by Parties who voluntarily cancel or use the units for purposes other than towards NDCs
- Reporting these units and their use to facilitate avoidance of double counting

Information on how certain principles have been ensured

- How environmental integrity has been ensured; how double counting has been avoided
- Clear guidelines on what quantitative and qualitative reporting could be important and useful to report under ETF

Another issue to consider..

- If and how the information needed for Article 6 fits into the reporting and timing structure of the ETF?

Possible role of the TER?

- Will the TER review Article 6 information?
- Is “rigorous” review needed and who will do this?
- Does the mandate of the TER allow for a “rigorous” review possibly needed for Article 6?
- If and how to reconcile timing issues?
- What are the implications on Article 6 following a review by the TER, if any?
 - Is the TER mandate in reviewing Article 6 information going to be the same for reviewing other information in BTRs?
 - What happens if Parties don't report certain information necessary under Article 6?

Conclusions - reporting

- A variety of information could be reported through the ETF including units used and not used towards NDCs and other explanations.
- The possible issues, implications – including related to timing – associated with reporting Article 6 information e.g. on double counting could be considered within MPGs and Art. 6 guidelines
- It could be useful for MPGs and Art. 6 guidelines to have a shared understanding of “need to have” vs “nice to have” information

Conclusions - review

- Could the TER's mandate allow for any "rigorous" review of Art. 6 information, e.g. ensuring Parties and units have met eligibility requirements?
- In case Parties have to demonstrate eligibility requirements before being reviewed by the TER, the timing implications on Article 6 participation and reporting under the ETF should be taken into account.

Brief for this session

- What practicalities provided from Article 6 to Article 13 to
 - ensure confidence from a business and investor perspective,
 - “must” on environmental integrity and sustainable development,
 - avoidance of double counting

Thank you!

For more information:

www.oecd.org/env/cc/ccxg.htm

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