

What is an ITMO? (1)

- An amount
- Expressed in tCO₂e
- Authorised by the Parties involved
- Resulting from a *cooperative* approach, described up-front
 - the approach and the Parties involved
 - Its duration
 - How ITMOs are generated by the approach and anticipated amounts
 - How it contribute to implement and achieve the NDC of the Parties involved and to increase their ambition and scope over time
 - How allocation or crediting levels depart from BAU and reflect or strengthen any low emission development strategy
 - Expected contribution of the approach to sustainable development
 - Institutional arrangements in place, including for stakeholder consultations

What is an ITMO? (2)

This amount is

- Verified by the Art.6 ERT
- Recorded the CAD (centralised accounting database)
- Added/subtracted by the Parties involved in their structured summary (para 77d) on an annual basis

This amount must *correspond*

- In terms of quantity (+ and – must equal to zero (or to less than zero?) -> net impact on total emissions of Parties involved is no more than zero)
- In terms of timing (+ and – the same year (or within a *reasonable* time frame?) so as to be ‘fair and representative’ and to maintain ambition)

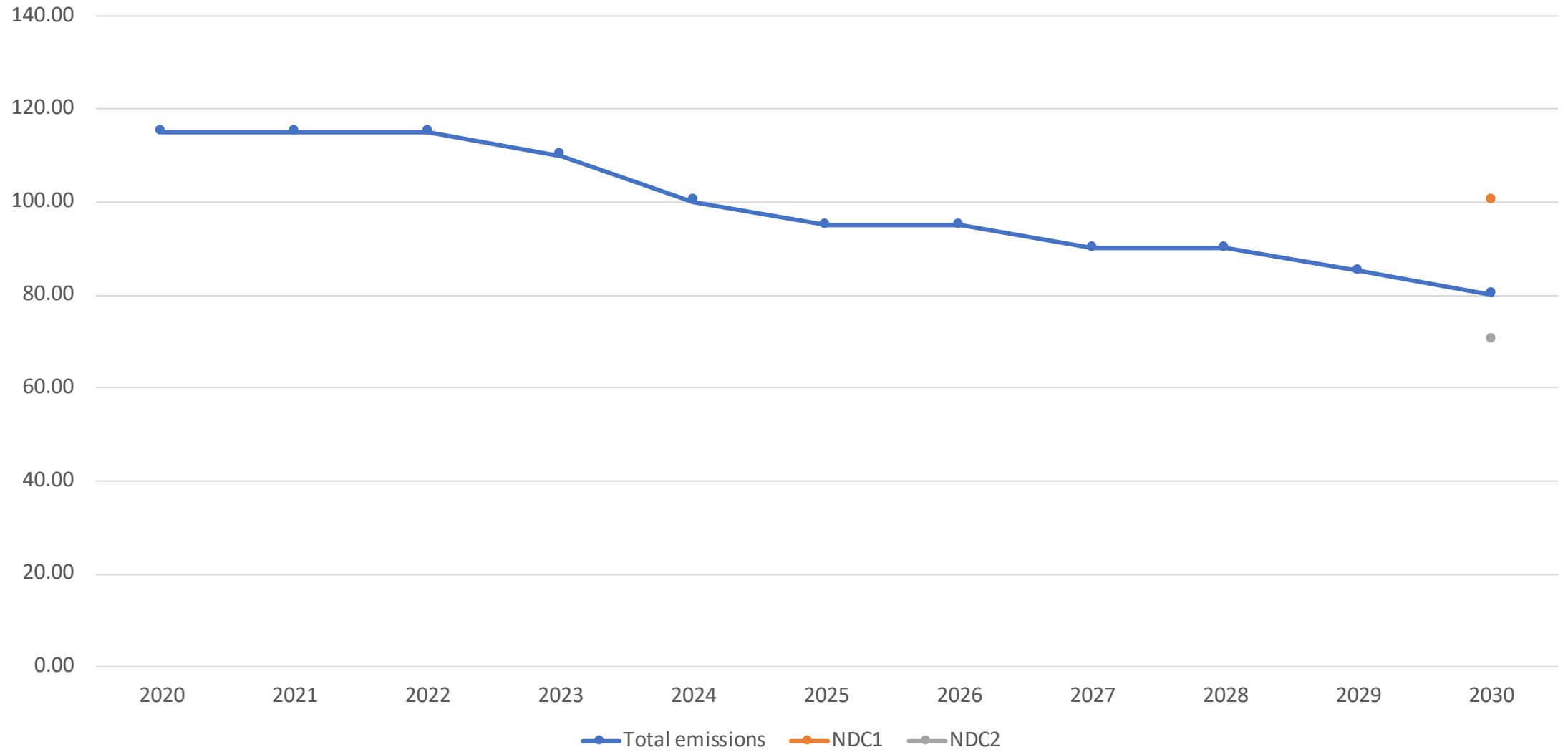
What is an ITMO? (4)

- An ETS allowance (= right to emit)?
- An 'avoidance' of emissions?
- An amount expressed in other metrics '*consistent with the NDC of the participating parties*'? (risk of double counting if different targets with different metrics – better to convert to one metric)
- An amount transferred to a Party that did not participate in the cooperative approach? (secondary transfer)
- An unilateral creation through a corresponding adjustment?
- An amount created for 'other uses'?

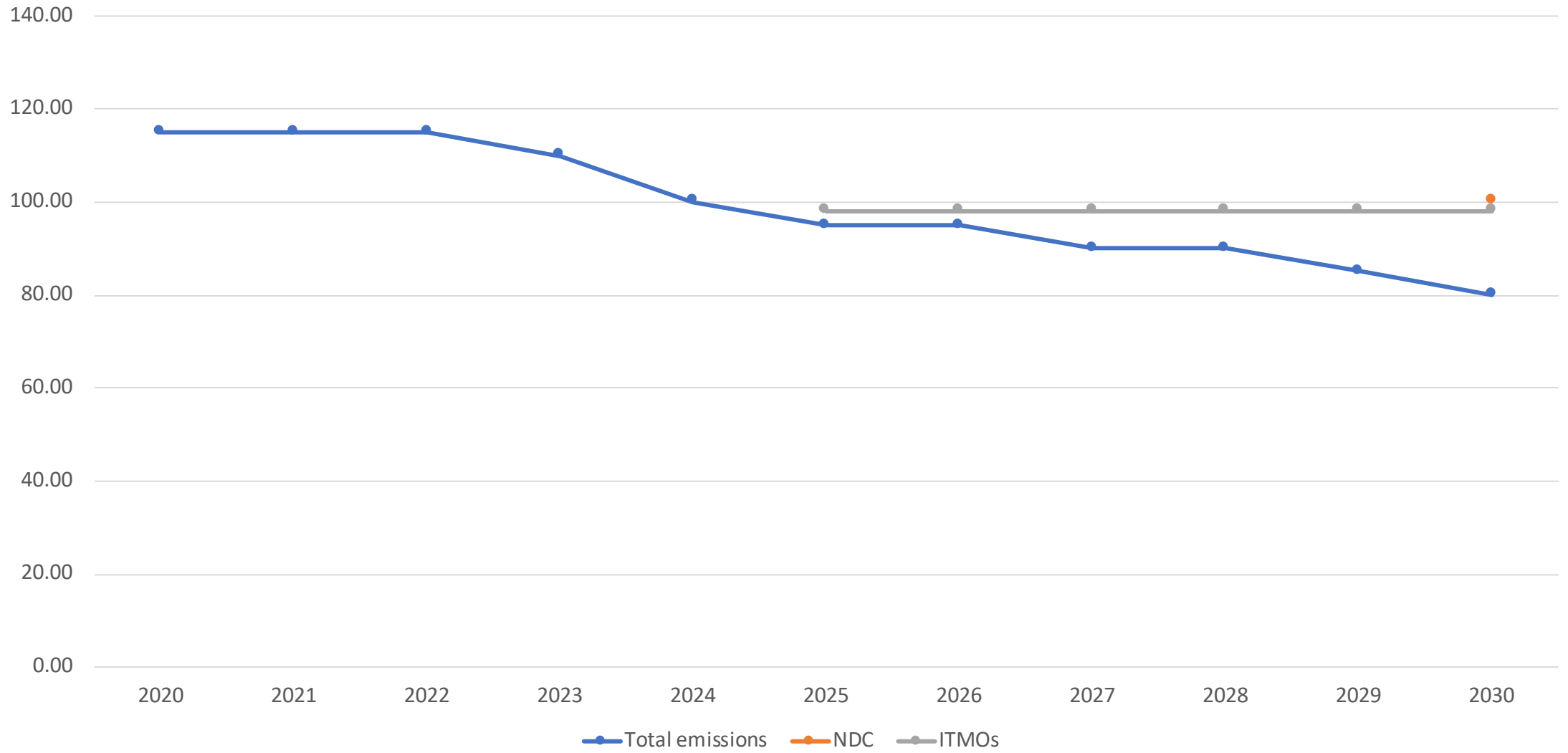
An ER resulting from the Art.6.4 mechanism...

- Is an amount
- Expressed in CO₂e
- Authorised by the host Party and by the using Party
- Results from a (*cooperative?*) approach (baseline and crediting)
- Is verified under the Art.6.4 RMP (including its contribution to SD)
- Is recorded in the CAD
- Is subject to an (annual?) adjustment that must *correspond* in terms of quantity and timing
- Is available for 'other uses'?

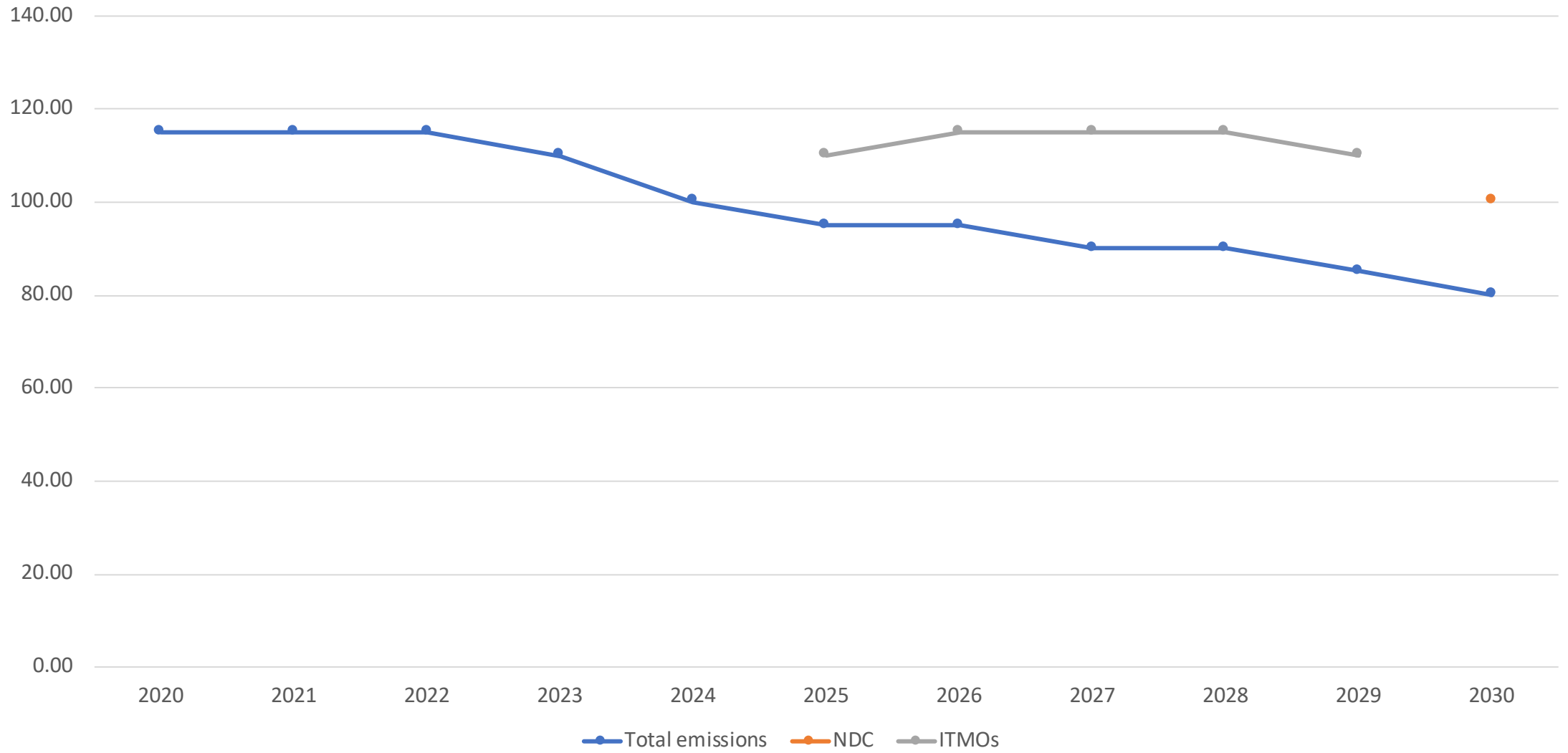
Party A



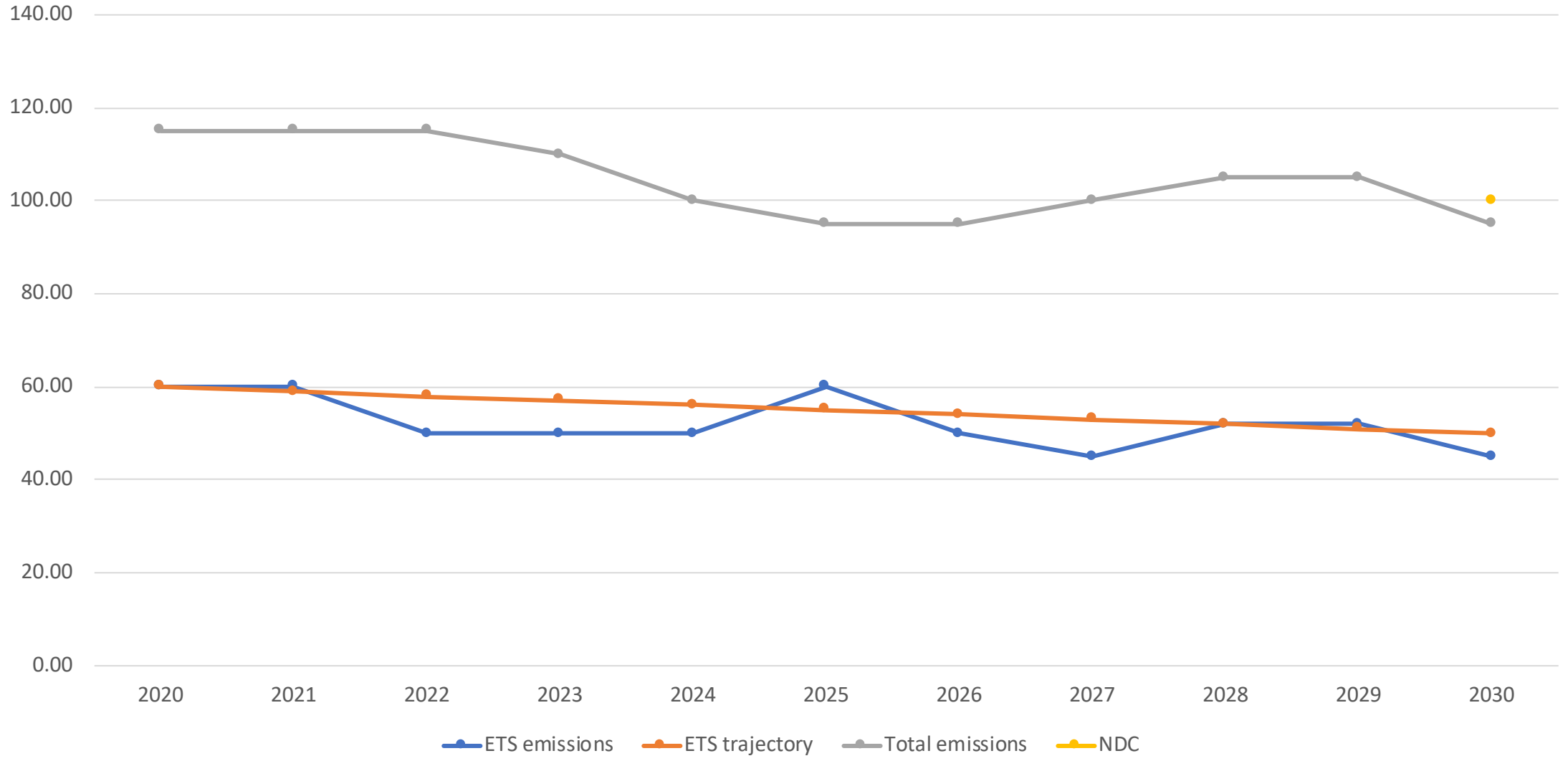
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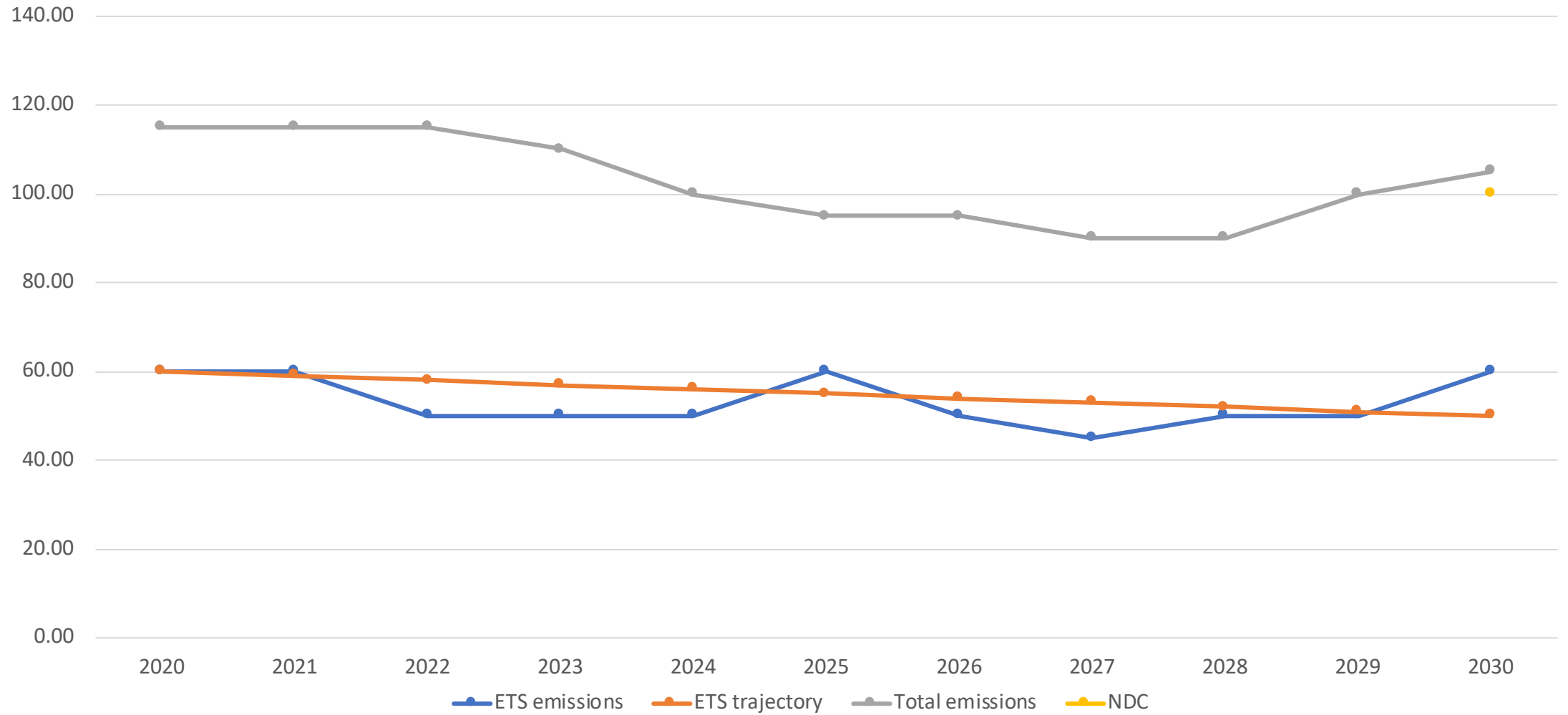
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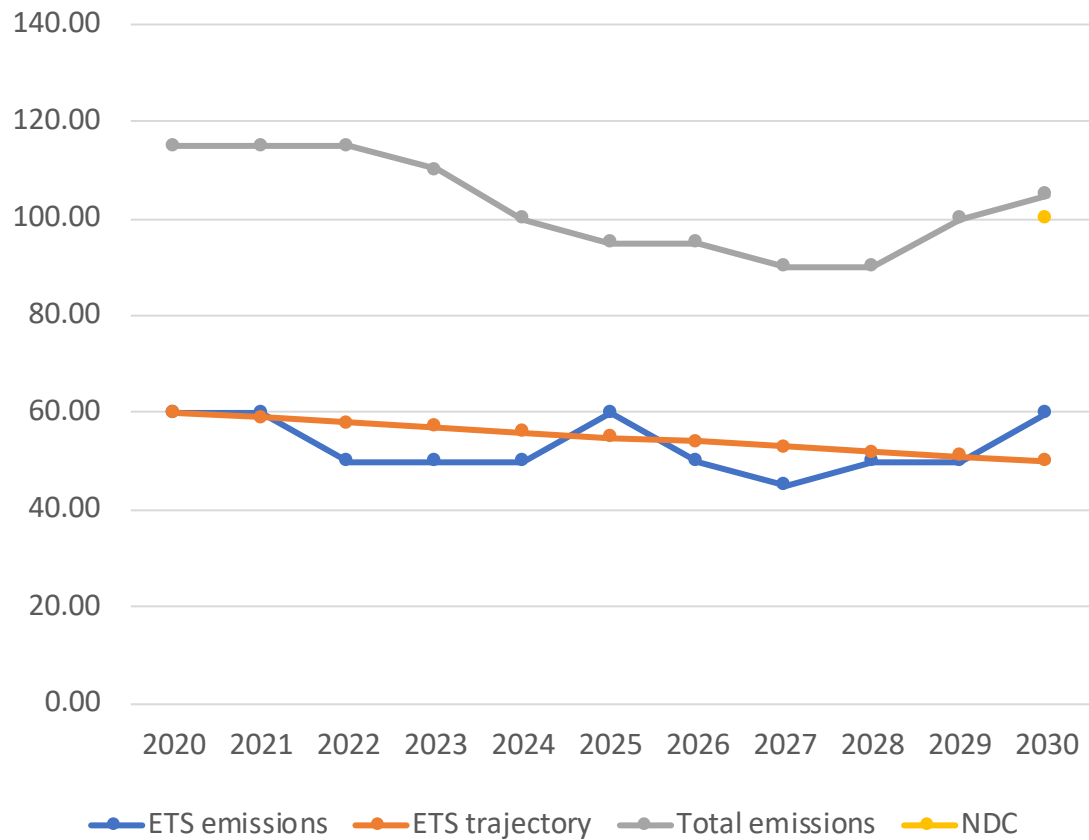
Party C with linked ETS



Party B with linked ETS



Party B with ETS linked to C



Party C with ETS linked to B

