

# ERCST “Informal Forum on Implementation of Article 6 of the Paris Agreement”

## Accounting for non-GHG ITMOs



Chatham House Rule – secretariat providing reflections based on third  
Presidency text

Guiding questions provided for this discussion

- What is meant by non-GHG metric accounting?
- What is the scope of the discussion?
- What are the issues?
- What are the discussions?

## Provisions in version 3 (Madrid, Presidency)

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- **ITMO description**: Non-GHG metrics determined by participating Parties that are consistent with the NDC of the participating Parties.
- **Corresponding adjustments**: For ITMOs measured in a non-GHG metric determined by participating Parties, each participating Party shall apply corresponding adjustments consistent with guidance and relevant future decisions of the CMA.
- Each participating Party with an NDC measured in non-GHG metrics determined by the participating Parties engaging in a cooperative approach involving ITMOs traded in the same non-GHG metric shall apply corresponding adjustments in a buffer registry by applying an addition to and subtraction from the annual level of the relevant non-GHG indicator used by the Party to track progress towards the implementation and achievement of its NDC



## Provisions in version 3 (Madrid, Presidency)

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- **Initial report to** have comprehensive information related to : Quantify the participating Party's NDC, or that portion of its NDC, in a non-GHG metric determined by each participating Party;
- **Biennial transparency reports submitted:** Where a mitigation outcome is measured and transferred in a non-greenhouse gas metric determined by the participating Parties, the information required by relevant future decisions of the CMA.
- **Annual information report:** For non-greenhouse gas metrics determined by participating Parties, annual adjustments, consistent with chapter III above (Corresponding adjustments) and further guidance to be adopted by the CMA.
- **Elaboration of further guidance** for non-GHG metrics determined by participating Parties, including on methods for conversion between metrics pursuant to Chapter III of the annex (Corresponding Adjustments) and Chapter IV of the annex (Reporting) by no later than its third session;



## Possible conversions

Scenario	Using Party	Conversion Needed	First Transferring Party	Conversion Needed
1	<ul style="list-style-type: none"> <li>ITMO acquired and used in metric of the using Party NDC (indicator)</li> </ul>	NO	<ul style="list-style-type: none"> <li>ITMO transferred in metric of the first transferring Party NDC (indicator)</li> </ul>	NO
2	<ul style="list-style-type: none"> <li>ITMO acquired and used in metric not consistent with the using Party NDC (indicator)</li> </ul>	YES	<ul style="list-style-type: none"> <li>ITMO transferred in metric consistent with the metric of the first transferring Party NDC (indicator)</li> </ul>	NO
3	<ul style="list-style-type: none"> <li>ITMO acquired and used in metric of the using Party NDC (indicator)</li> </ul>	NO	<ul style="list-style-type: none"> <li>ITMO transferred in metric different to the metric of the first transferring Party NDC (indicator)</li> </ul>	YES
4	<ul style="list-style-type: none"> <li>ITMO acquired and used in metric not consistent with the using Party NDC (indicator)</li> </ul>	YES	<ul style="list-style-type: none"> <li>ITMO transferred in metric different to the metric of the first transferring Party NDC (indicator)</li> </ul>	YES



## Reporting elements

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- **On the front end of tracking:**
  - ❖ Tracking all ITMOs in their relevant metric, in a registry consistent with (the registry requirements section), for tracking creation, first transfers, transfers, acquisitions, use, cancellations, etc and report annually in agreed electronic format to the CARP/Database.
- **On the front end of reporting:**
  - ❖ To provide the information of which of the selected indicators for tracking of progress in the implementation and achievement of nationally determined contributions pursuant to decision 18/CMA.1 will be used for accounting for ITMOs through relevant adjustments.
- **On the regular end of reporting:**
  - ❖ To provide the information on methodologies used quantify the non-GHG ITMOs achieved and first transferred and, if relevant, the methodologies used for conversion of a non-indication metric ITMO to the metric selected indicator(s) for accounting by the Parties.

