

Other authorisation elements under Article 6

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Based on “The birth of an ITMO: authorisation under Article 6 of the Paris Agreement”, L. Lo Re, J. Ellis, and S. Greiner (2022, draft)



Outline

- Three elements of authorisation under Article 6
- Other possible authorisation elements
- Advantages and disadvantages
- Conclusions

Three elements of authorisation under Article 6



1

Cooperative Approach

2

ITMOs for a use

3

Participating Entities

Other possible authorisation elements



- Including other possible elements in an authorisation might help **acquiring and transferring Parties** reduce the **risk of non-achievement of their NDCs**, e.g.:

Acquiring Party

Help ensure ITMOs acquired are usable towards NDC

Transferring Party

Mitigate risk of overselling ITMOs

- Participating Parties **can choose on a voluntary basis** to include other authorisation elements to **enhance transparency** and **facilitate reporting** of cooperative approaches in the Initial Report (IR).

Other possible authorisation elements - examples



Time limits for the creation of ITMOs	Method of application of corresponding adjustments	Quantitative limits to the creation of MOs or use of ITMOs	MRV Requirements
If the transfer of ITMOs is a first transfer	Duration of the cooperative approach	Identification of the mitigation activities	Applied standards, methodologies
Unique identifier	Contribution to adaptation and OMGE	Sustainable Development aspects	Contingency on positive examination

 = applicable to cooperative approaches based on crediting activities

Analysis of selected examples of other possible authorisation elements (1/2)



Example of other possible authorisation elements	Rationale for acquiring Party	Rationale for transferring Party
Unique identifier	Help trace the evidence of authorisation	
Time limits for the creation of ITMOs	Help to ensure the ITMOs are used within the same NDC implementation period as when they occurred	-
Quantitative limits to the creation of MOs or use of ITMOs	Facilitate the reporting in the IR of the “expected mitigation” from the cooperative approach	<ul style="list-style-type: none"> • Help to limit risks of overselling ITMOs • Facilitate the reporting in the IR of the “expected mitigation” from the cooperative approach.

For more details: see Section 2 and Table 8 of “The birth of an ITMO: authorisation under Article 6 of the Paris Agreement” (draft)

Analysis of selected examples of other possible authorisation elements (2/2)



Example of other possible authorisation elements	Rationale for acquiring Party	Rationale for transferring Party
Duration of the cooperative approach	Facilitate reporting in the IR	
Method of application of corresponding adjustments	<ul style="list-style-type: none"> • Enhance mutual trust and alignment • Facilitate reporting in the IR 	
Crediting period, baseline methodologies, MRV	Enhance mutual trust and alignment through a higher level of transparency	
Contingency on positive examination (as applicable)	Help to ensure that the activities / policies covered by the cooperative approach fulfil national criteria (e.g. sustainable development, human rights standards)	-

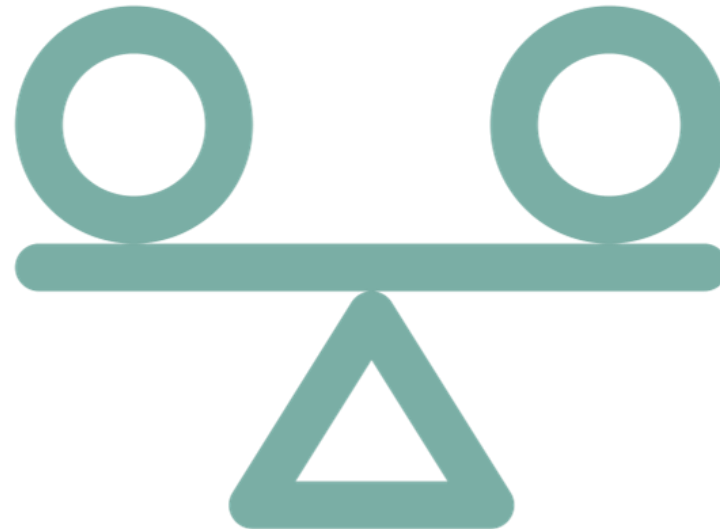
For more details: see Section 2 and Table 8 of “The birth of an ITMO: authorisation under Article 6 of the Paris Agreement” (draft)

Advantages and disadvantages of including other possible authorisation elements



Advantages

- Enhance transparency
- Facilitate reporting in the IR



Disadvantages

- Increase administrative burden related to changes to authorisations

Open questions

- Other elements -> enhanced transparency -> Increase risk of inconsistencies between authorisations of participating Parties: advantage or disadvantage?
- Could a template with minimum requirements indicating elements that need to be consistent help?



Conclusions

- Whether participating Parties can choose to include additional elements in their authorisations on a voluntary basis is an **open question**
- Decisions 2 and 3/CMA.3 are silent on these aspects, **the decision rests with participating Parties**
- A number of emerging cooperative approaches show that **some Parties are choosing to specify additional elements in their authorisations**
- There are **advantages and disadvantages** for including other possible elements in authorisations
- It would be useful for SBSTA to **address these issues ahead of CMA.4** for further potential guidance at COP27.



THANK YOU!

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