



Format of Authorisation under Article 6

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DG CLIMATE ACTION

EU Submission – Suggests Further Guidance is needed

We therefore believe that some guidance on authorisation should be included in a CMA.4 decision, in order to clarify the elements mentioned below.

Issues include timing of reporting, and clarity on format and elements of authorisation

See

<https://www4.unfccc.int/sites/SubmissionsStaging/Documents/202208311559---CZ-2022-08-31%20EU%20submission%20on%20elements%20of%20Article%206.2.pdf>

Authorisation - Why is it there ?

- Signal that Parties have exercised discretion in respect of key elements of the system
- Participation at all
- Approval of specific activities (6.4)
- Participation of entities in mechanism –
- Specification of uses – with consequences for adjustment
 - It's a trigger for reporting
 - It is a potential trigger for adjustment – see “first transfer”

Authorisations (and Approvals): Multiverse

- **Authorisation of the cooperative approach** (involving the use of internationally transferred mitigation outcomes)
 - Authorisation is communicated in the initial report – [a copy?](#) A6.2 - Para 18, and an updated initial report – Para 19.
 - See also Para 28 of the A6.4 text – participation
- **Approval of Activities – Specified for 6.4 only – Para 40**
- **Authorisation of Participation of Entities**
 - a “[description](#)” of authorised entities is included in the initial report -6.2 Para 18 g
 - [Authorisation](#) is provided to the Supervisory Body para 41 6.4

Authorisations and Approvals: Multiverse (Ctd)

- **Authorisation of ITMOS for particular uses (Incl. Statements of Authorisation see 6.4)**
 - Parties must have arrangements in place for authorising – A6.2 para 4(c)
 - Authorisation is required Article 6.4 para 4

Noting

- Authorisation is the trigger for reporting of initial report – Para 18
- Authorisation also a potential trigger for adjustment 2(b)

Formats Reports, Statements, or Registry Functions

- Initial Report, Annual Reports, Regular Reports Updates
- Letters or Statements – some of which implied rather than required
- Issuance of units to an account?
 - ERs have issuance specified
 - ITMOS have transfer, acquisition, cancellation and use, but apparently no issuance specified
- Accounts and Identifiers – identify entities, and uses.

Initial Report and Authorisation of ITMOs

- Para 18 – the trigger for submission of the **initial report** !no later than authorization of ITMOs from a cooperative approach”

Initial Report and Authorisation of the cooperative approach and entities

- Requires
 - prior authorization of the approaches by the participating party (in a document)
 - A description of participating parties, and authorized entities (description only?)
- Para 18 (g) Provide, for each cooperative approach, **a copy of the authorization by the participating Party**, a description of the approach, its duration, the expected mitigation for each year of its duration, and the participating Parties involved and **authorized** entities;

Article 6.2 Annual Information and Authorisation of ITMOS for specific uses

- Annual Information includes information on authorization of ITMOS for two different uses
- Para 20 - Annual information on authorization of ITMOs for use towards achievement of NDCs, authorization of ITMOs for use towards other international mitigation purposes
- Undertaken in a registry, issued, with serial number, to an authorized account holder?

Article 6,2 Annual Information Breakdown

- 20(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 it is known, the year in which the mitigation occurred, the sector(s) and activity type(s), and the unique identifiers

Article 6.2 Regular Reporting 21c

- Para 21 (c) Authorizations and information on its authorization(s) of use of ITMOs towards achievement of NDCs and authorization for use for other international mitigation purposes, including any changes to earlier authorizations, pursuant to Article 6, paragraph 3;
- Refer to issued ITMOS, and Registry Arrangement
- Refer to Authorisation Documents, and Contents?

Article 6.2 Registry Records this information

- 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
- Has all the information necessary (or should do?)

Article 6.4 participation requirement

- 26 e) It has indicated publicly to the Supervisory Body
 - the types of Article 6, paragraph 4, activity that it would **consider approving** pursuant to chapter V.C below (Approval and **authorization**), and
 - how such types of activity and any associated emission reductions would contribute to the achievement of its NDC, if applicable, to its long-term low greenhouse gas (GHG) emissions development strategy, if it has submitted one, and to the long term goals of the Paris Agreement

Upfront description of what Party might approve in terms of activities

Article 6.4 Project Approval

- 40. The host Party shall provide to the Supervisory Body **an approval of the activity**, prior to a request for registration.

Article 6.4 - Authorisation of Entities Participation

- 41. The host Party shall provide to the Supervisory Body, the Article 6 4(b) [authorization of public or private entities](#) to participate in the activity as activity participants under the mechanism

Article 6.4 Statements of authorisation

- **Para 42** - a statement to the Supervisory Body specifying whether it **authorizes** A6.4ERs issued for the activity for use towards achievement of NDCs and/or for other international mitigation purposes as defined in decision -/CMA.3.

Authorisation for participation by entities

- 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.

Units Distinguished in Registry by authorisation uses

- 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.

EU Implementation?

- No proposal as yet – expect next year
- Paris Registry envisaged
 - Two models – Kyoto Experience
 - direct authorisation of existing units
 - Issuance of units to cover net-flows
- ETS Linking - Cooperation
 - ITMOS issued and transferred - to cover net flows – annual basis
 - Credits for CORSIA – requirement ensure arrangements in place for timely adjustment

Thank you



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