

ERCST Art 6 Forum

Paris, France

Day 2 | Authorization

ERCST's Discussion Questions

1. What are outstanding authorization issues pertaining to 6.2 and 6.4?
 - How are activity-by-activity authorizations conveyed under 6.2?
 - Parties' various understandings of some questions, e.g., authorization types, timing vis-à-vis ER issuance etc.
 - Example: "Authorized entities" —entity-specific? Not necessarily.
2. Can authorization status be changed (17(b))? Can authorization be revoked? What are the pros and cons?
3. What is the timing of authorization under 6.4?
4. Where would mitigation contribution ERs be beneficial?

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2. Can authorization status be changed (17(b))? Can authorization be revoked? What are the pros and cons?
 - Definitely can be expanded (*why not?*)
 - Changes that revoke or constrain scope authorization scope are *never* desirable.
 - However, revocation issue not as simple as "no"
 - Most market measures eventually encounter valid need for revocation
 - Question: How does the cooperative approach mitigate and manage this risk?
 - Risk pooling?
 - Replacement guarantee (sovereign, third-party)?
 - Trigger for replacement? Agreed response to such occurrences?
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4. Where would mitigation contribution ERs be beneficial?

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2. Can authorization status be changed (17(b))? Can authorization be revoked? What are the pros and cons?
3. What is the timing of authorization under 6.4?
 - If Parties want to encourage careful consideration of NDC impacts prior to authorization, why call for less flexible timing?
 - To consider: providing for same flexibility as afforded to other mechanisms, i.e., authorizations can be granted for existing issued ERs (ex post) *or* ex ante.
 - Up to Party to take into account market appetite for ambiguity.
4. Where would mitigation contribution ERs be beneficial?

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3. What is the timing of authorization under 6.4?
4. Where would mitigation contribution ERs be beneficial?
 - If want to avoid suggesting that all ambitious emissions targets necessarily involve phasing out demand for carbon credits, broadly.
 - For public sector, results-based climate finance increasingly common practice
 - For private sector, RBCF still regarded as “philanthropy”. That’s not great.
 - Discussion needed (*with* the private sector) to identify novel approaches for linking these investments with financial/business incentives.