

Informal note by the co-facilitators
on
SBSTA 58 agenda item 13
Guidance on cooperative approaches
referred to in Article 6, paragraph 2, of the Paris Agreement
and in decision 2/CMA.3

Version 11/6/2023 0:25

Informal note by the co-facilitators

This informal note has been prepared by the co-facilitators of the informal consultations on this agenda item under their own responsibility, drawing on interventions made by Parties during the fifty-eighth session of the Subsidiary Body for Scientific and Technological Advice. The views reflected in this note are not exhaustive and may be divergent. Where Parties clearly expressed alternative solutions for specific issues, those solutions are presented separately and highlighted to facilitate understanding. The note has no formal status and should not be considered final in any way. It is intended to assist Parties in advancing discussions on this matter and does not prejudice further work or prevent Parties from expressing other views at any time. Parties' views on intersessional work that may be needed before the fifty-ninth session of the Subsidiary Body for Scientific and Technological Advice are not covered in this note.

I. Elements discussed

1. The informal consultations on agenda item 13 of the Subsidiary Body for Scientific and Technological Advice (SBSTA) at SBSTA 58, “Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement and in decision 2/CMA.3”, were co-facilitated by Maria AlJishi (Saudi Arabia) and Peer Stiansen (Norway).
2. Parties considered elements, as mandated by decision 6/CMA.4, in the following order (*the relevant paragraph of decision 6/CMA.4 is referred to for each element*):
 - (a) The draft version of the agreed electronic format (AEF) (para. 4);
 - (b) The sequencing and timing of the submission of the initial report, its review and the submission of the AEF (para. 17(a));
 - (c) The reviews specifying recommended action to be taken when inconsistencies are identified, and provisions on how a Party should respond to those recommendations and the implications of non-responsiveness, if any (para. 16(a)(iii));
 - (d) The process of identifying, notifying and correcting inconsistencies in data on internationally transferred mitigation outcomes (ITMOs) in the Article¹ 6 database, in accordance with decision 2/CMA.3, annex, paragraph 33, and its dependence on the AEF (para. 17(f));
 - (e) The modalities for reviewing information that is confidential (para. 16(a)(ii));
 - (f) Matters related to the international registry, including:
 - (i) The need for additional functionalities and procedures for the international registry to allow for transfer of Article 6, paragraph 4, emission reductions (A6.4ERs) to the international registry and to provide services for cooperative approaches if voluntarily requested by Parties participating in a cooperative approach, including, inter alia, additional technical functionalities and administrative arrangements, for authorizing account access, and further guidance on procedures for reporting and review for the cooperative approaches of the participating Parties requesting such services, which may be required in addition to the relevant guidance in decision 2/CMA.3 and decision 6/CMA.4, annex I (para. 17(g));

¹ Articles referred to in this note are Articles of the Paris Agreement.

- (ii) The accounts of the international registry and the role of the international registry administrator, in accordance with the guidance contained in decision 6/CMA.4, annex I (para. 17(h));
- (iii) The submission of information by Parties using the international registry as the basis for tracking ITMOs (para. 17(i));
- (g) The process of authorization pursuant to decision 2/CMA.3, annex, paragraphs 2, 18(g) and 21(c), notably the scope of changes to authorization of ITMOs towards use(s), and the process for managing them and for authorization of entities and cooperative approaches with a view to ensuring transparency and consistency (para. 17(b));
- (h) The application of decision 2/CMA.3, annex, paragraph 2, on mitigation outcomes authorized by a participating Party for use towards achievement of an NDC and for other international mitigation purposes in accordance with decision 2/CMA.3, annex, paragraph 1(d) and (f) (para. 17(c));
- (i) The common nomenclatures referred to in decision 6/CMA.4, annex I, chapter II.B, including for cooperative approaches reported by participating Parties, first transferring Party, sectors, activity types, non-greenhouse-gas (GHG) metrics and their units of measurement, registries that track ITMOs from cooperative approaches and action types; first transfer specifications; and purposes towards which the use of ITMOs is authorized (para. 17(j));
- (j) Further consideration of the special circumstances of the least developed countries and small island developing States (para. 16(a)(i));
- (k) Options for funding the activities related to the infrastructure and the technical expert review under Article 6, paragraph 2 (para. 38);
- (l) The manual containing illustrative elements of information for the initial report, updated initial report and annex 4 to the biennial transparency report (Regular information) (para. 22);
- (m) Tables for submitting annual information as part of the regular information, as referred to in decision 2/CMA.3, annex, paragraph 23(j) (para. 17(d));
- (n) Consideration of possible implications for the reporting of annual information pursuant to decision 2/CMA.3, annex, paragraphs 20 and 23, from the application of methods for converting the non-GHG metric into tonnes of carbon dioxide equivalent in accordance with decision 2/CMA.3, annex, paragraph 22(d), with a view to ensuring that the amount of ITMOs in a non-GHG metric acquired by a participating Party does not exceed the amount of ITMOs in the non-GHG metric of the participating Party initiating the transfer (para. 17(e)).

3. This informal note summarizes the interventions made by Parties in relation to each element. It includes two annexes that contain provisions of decisions recalled by Parties during their interventions, relevant to the following two elements:

- (a) International registry;
- (b) Authorization.

4. Parties held informal–informal consultations on the matter during the session. During the informal consultations, they reported that the informal–informal setting was a useful opportunity for improving common understanding and clarifying elements of the draft AEF, including in relation to unique identifiers, authorization, non-GHG metrics and sectors *{Placeholder for any outcome from the informal- informal consultations}*.

II. Views of Parties

A. Draft version of the agreed electronic format

5. The following general views were expressed:

- (a) Regarding progress towards finalization of the AEF, the intersessional hybrid workshop on the draft version of the AEF,² held from 25 to 26 April 2023, and report thereon provide a useful basis for further work;
 - (b) Capacity-building is important for continuing elaborating the AEF and enabling Parties without relevant experience to test the draft AEF;
 - (c) Further work is needed, including in relation to substantive elements of CMA work on Article 6, paragraph 2, before the AEF can be finalized, including in relation to:
 - (i) The content, timing and format of the types of authorization;³
 - (ii) The sequence of the reporting obligations;
 - (iii) The rules applicable to the first transfer of ITMOs authorized for use towards NDCs and other international mitigation purposes;
 - (iv) The interoperability, security and reliability of the registry system, in particular for registries that are not linked to the international registry.
6. Regarding possible improvements to the draft AEF, it is necessary to clarify:
- (a) Key terms and concepts, such as use, cancellation and retirement;
 - (b) Sectors and activity types;
 - (c) Common nomenclatures, including which table columns of the AEF require common nomenclatures;
 - (d) Where the first transfer specification is reported;
 - (e) The link between the AEF and the annual information to be provided in the regular information report as per paragraph 23 of the Article 6.2 guidance;
 - (f) How to include further information in the tables in the draft AEF;
 - (g) The footnotes and further improve them.
7. Regarding the information to be included in the finalized AEF, the following information was identified as necessary:
- (a) Authorized A6.4ERs issued from the mechanism established by Article 6, paragraph 4 (Article 6.4 mechanism);
 - (b) Information on share of proceeds and overall mitigation in global emissions, including such information:
 - (i) **Option 1:** Has to be clearly identifiable, including transactions in relation to mandatory and voluntary share of proceeds and overall mitigation in global emissions under the Article 6.4 mechanism and transactions related to contributions that are strongly encouraged under the Article 6.2 guidance,⁴ ensuring those contributions can be traced to their underlying transactions. A summary table for share of proceeds and overall mitigation in global emissions for each cooperative approach should also be included in the AEF;
 - (ii) **Option 2:** Does not require special provisions.
8. Regarding possible layouts of the AEF, the following options were identified (*option 1 and option 2 may be combined with option 3*):
- (a) **Option 1:** Information on authorization can be reported in a its own table;

² <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement/cooperative-implementation/technical-workshops-article-62-of-the-paris-agreement#Hybrid-workshops-on-the-draft-agreed-electronic-format-and-on-the-initial-report>.

³ As referenced in decision 6/CMA.4, para. 17(b).

⁴ Decision 2/CMA.3 'Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement'.

(b) **Option 2:** Information can be organized in separate tables for easy access, for example by action type;

(c) **Option 3:** The information referred to in subparagraph (b) above can form the basis of summary tables, grouped by action type, that clearly show the basis for the application of corresponding adjustments.

9. Regarding features that should be considered for the AEF, the following suggestions were made:

(a) There is a need for identifiers between the AEF tables to ensure the structuring and streamlining of information;

(b) Drop-down menus based on common nomenclatures should be provided;

(c) Features that accommodate flexibility in the completion of the AEF should be considered in the context of national circumstances.

10. Other views expressed included the following:

(a) A manual could be developed to assist with the preparation of the AEF that includes examples, use cases and instructions on how to fill in the AEF. The manual should include information on the links between the AEF and the regular information;

(b) Corresponding adjustments must be reflected in the emissions balance, and the cumulative amount of ITMOs reported in the AEF considered;

(c) Information on ITMOs first transferred must be included in the AEF because this information is used for corresponding adjustments;

(d) The date to be determined by the CMA as per paragraph 12 of the Article 6.2 guidance needs to be agreed;

(e) The tables for reporting on REDD+ activities and tables for reporting under Article 13 of the Paris Agreement should be checked to see whether they contain any useful features for the AEF.

B. Sequencing and timing of the submission of the initial report, its review and the submission of the agreed electronic format

11. The following general views were expressed:

(a) The option to submit the initial report in conjunction with a BTR relates to authorizations and cooperative approaches initiated six to nine months before the BTR deadline;

(b) Clarity is needed with regard to the submission of the initial report, namely whether there is a single initial report for a respective programme or project or thousands of initial reports and respective individual programmes or projects each with different standards;

(c) There is a need for timely submission of the annual information, that is no later than 15 April of the following year, and for subsequent reports to follow the same timeline as the initial report to ensure clarity of Parties' intentions and transparency in relation to cooperative approaches;

(d) It is necessary to think about the timing in the year leading up to the BTR review to ensure a thorough review of Article 6 information before the review of the BTR. The AEF should be submitted the following year, namely the year after the actions reflected in the annual information occurred. This includes information on the authorization of ITMOs;

(e) Submitting the initial report with a BTR may cause issues in the review process of the BTR as the sequence of events affects the review of progress in implementing and achieving the NDC. Hence, Parties should be allowed to choose their preferred approach for submission of the initial report, namely together with the BTR or separately;

(f) There are concerns about the review process occurs late and that there is a need to address substantive issues in relation to cooperative approaches as early as possible, and proposed using creative approaches to ensure transparency of the status of the review of the initial report;

(g) There is a need to think about the timing in the year leading up to the BTR review to ensure that a thorough review of the Article 6 information is conducted while avoiding delaying the review of the NDC;

(h) The AEF should be submitted the following year, namely the year after the actions reflected in the annual information occurred;

(i) There should be a reflection on the possible implications of inhibiting or preventing Parties from submitting information;

(j) There is already clarity provided in the existing Article 6 guidance on, for example, the sequencing and timing of the submission of the initial report, according to which it is necessary to avoid sole reliance on the AEF for transfers without the initial report, which would undermine the transparency and credibility of the Article 6 system, especially in the context of bilateral and multilateral cooperative approaches;

(k) The review of the initial reports should be started by the secretariat as soon as possible and not at the end of the reporting cycle, with subsequent revisions and submissions proceeding as scheduled, and that the secretariat should allow for the review of the initial report to take place before the AEF is submitted to the Article 6 database;

(l) It is important to analyse the implications of waiting for the initial report to be reviewed until the annual report is reviewed as this sequence of events could affect the review of progress in implementing and achieving the NDC since the annual information is crucial for understanding how Parties are using Article 6 for their NDC, or for other international mitigation purposes.

12. The following options were proposed:

(a) **Option 1:** The initial report and the review of the initial report must be submitted and completed, with the review report published, before the Party can submit the AEF and the regular information. The initial report should be made public before the submission of the AEF;

(b) **Option 2:** The submission of information that enhances transparency should not be hindered, and there may be circumstances when the initial report, the AEF and the regular information in the BTR are submitted at the same time;

(c) **Option 3:** There is no need for further guidance on the sequencing and timing of the submission of the initial report, its review and the submission of the AEF as Parties noted that the required guidance is already provided in decision 2/CMA.3.⁵

13. Other views expressed included the following:

(a) The Article 6, paragraph 2, infrastructure should support information-gathering for reporting under the Article 6 process;

(a) There is a need to develop the Article 6 review training programmes and train qualified experts to conduct the reviews as soon as possible;

(b) There is a need to define what a cooperative approach is as this relates to the clarity of expectations for the report, as well as practical concerns about there being multiple reports and reviews;

(c) It is not relevant to discuss the definition of a cooperative approach in the context of the AEF as a cooperative approach is between two Parties;

(d) It was highlighted that the review process for REDD+ can serve as a model for other processes, emphasizing the need for rigorous scrutiny and assessment in the review process;

⁵ See chap. V of the annex to that decision.

(e) The guidance from the CMA on the sequencing and timing of the submission of the initial report need to address the situation of whether to submit the initial report, the AEF and the BTR together.

C. Reviews specifying recommended action to be taken when inconsistencies are identified, and provisions on how a Party should respond to those recommendations and the implications of non-responsiveness, if any

14. The following general views were expressed:

(a) Potential inconsistencies identified during the review process and cases of non-responsiveness should be communicated to Parties, and Parties should be given sufficient time to respond in a collaborative manner and should respond to recommendations within a time limit;

(b) Non-responsiveness with recommended actions may have consequences for their NDCs;

(c) Inconsistencies can be qualitative or quantitative and exist within a Party or between Parties, and non-responsiveness over a period of time can also be considered an inconsistency;

(d) Inconsistencies can also arise in the data provided by the same Party or with the guidance;

(e) When Parties submit the initial report with the BTR, any inconsistencies identified during the review process should be resolved promptly during the same round of the Article 6 TER and published before being considered in the Article 13 TER;

(f) The secretariat should create logic rules for automating the checks and develop procedures setting out who should be informed of inconsistencies and how;

(g) There is a need to define the extent to which Parties can and should agree on follow-up responses;

(h) It is important to safeguard against the propagation of inconsistent information: addressing identified inconsistencies early on is crucial to avoiding complexity and difficulties. In addition, there is a need to explore the severity of different types of inconsistency and how they can be addressed and to understand their implications. Options for addressing inconsistencies should provide incentives for Parties to reduce and resolve them;

(i) The technical expert review report and the facilitative, multilateral consideration of progress should include information on non-responsive Parties and recurrent inconsistencies.

15. The following options were proposed:

(a) Unresolved inconsistencies after two reviews indicate a clear persistence of such inconsistencies and these should be reported in the CARP and made public in the conclusions and recommendations of the Article 6 review team. If required, the Paris Agreement Implementation and Compliance Committee can be involved in addressing persisting inconsistencies, following the approach used in other processes under the Convention;

(b) Even if there is non-responsiveness or no agreement on addressing inconsistencies, the Article 6 reports must be made public, clearly identifying the inconsistencies, allowing stakeholders to form their own opinion on the cooperative approach;

(c) With regard to the implications of non-responsiveness, reflecting on the fact that there is a flow of information from the review teams to the Article 13 review team and there are linkages to Article 15 of the Paris Agreement, it is important to explore persisting inconsistencies and, in the case of a number of significant persisting inconsistencies across multiple reporting periods, to be able to flag this in the review report, both under Article 6 and under Article 13;

(d) Parties have already agreed on how the Article 6 technical expert review will address significant and persisting inconsistencies or non-responsiveness, including with regard to reviewing confidential information;

(e) Further consideration is needed of situations where the Article 6 TER identifies inconsistencies in information that remain unresolved and the consequences of those inconsistencies.

16. Other views expressed included the following:

(a) It is necessary to consider how to accelerate the review of initial reports;

(b) There is a need to incorporate relevant guidelines into the training programme for Article 6 reviewers.

D. Process of identifying, notifying and correcting inconsistencies in data on internationally transferred mitigation outcomes in the Article 6 database

17. The following general views were expressed:

(a) Regarding identifying, notifying and correcting inconsistencies and errors in the Article 6 database, Parties previously agreed that the Article 6 database will automate this process; in addition;

(b) Parties need to agree on how to address inconsistencies in data before sending electronic information to the database;

(c) If inconsistencies in data quality are identified during the review, the participating Party must address them. The implications of inconsistencies related to environmental integrity and double counting need to be discussed and defined;

(d) Inconsistencies should be identified through the AEF and prevented in subsequent submission with appropriate formats and incentives for providing comprehensive information;

(e) Resolving inconsistencies promptly is crucial to avoiding undermining climate action, ambition and the Article 6 mechanisms as a whole, while ensuring that Parties are given a specified period for recommended corrections, after which non-responsiveness can be raised as an issue;

(f) Clarification should be provided as to the process for identifying inconsistencies within the Article 6 database and the role of technical experts in that process;

(g) There is a need to reconcile inconsistencies across reports submitted by Parties and guidelines or rules should be developed to reconcile inconsistencies and prevent double counting;

(h) There is a need to consider guidelines or rules for addressing the consequences of inconsistencies and ensuring fairness.

E. Modalities for reviewing confidential information

18. The following general views were expressed:

(a) Parties should make efforts to minimize confidential information, and guidance should be provided on when confidentiality can be asserted. Participating Parties need to justify the provision of information considered confidential, and further discussion is needed on how to address such information;

(b) Information subject to the Article 6 technical expert review, mainly public commitments and quantified mitigation outcomes, can maintain a high level of transparency without compromising confidentiality;

(c) Confidential information will be made available to the Article 6 TER, but not public;

(d) All information under Article 6 should be reported and be accessible to the public but there is a potential need for confidentiality depending on national security, sovereignty or sensitive business-related reasons. The CARP will handle confidential information while still providing necessary information to the review team;

(e) The issue of reviewing confidential information is adequately addressed under the existing review processes and protocols for handling confidential information;

(f) Adherence to the rules of the Article 6 technical expert review process is necessary regardless of the type of information provided and it is unclear which information would be considered confidential at this stage.

19. The following options were proposed:

(a) **Option 1:** Additional guidance is needed to effectively address the issue related to confidentiality, including:

(i) Defining which information should be considered confidential and which should be made public, so as to avoid a situation wherein entities may report that all of their information is confidential to avoid risks;

(ii) Developing a specific code of conduct for the treatment of confidential information in the Article 6, paragraph 2, process that could include procedures for storing confidential information, rules for access and use of confidential information, and training for technical experts;

(iii) Developing a process for dealing with cases in which the basis of confidentiality is not clear or questionable, or has not been provided;

(iv) Further considering situations where the Article 6 TER identifies inconsistencies in information marked as confidential, how would it report on those inconsistencies and how those inconsistencies would be made public;

(b) **Option 2:** There is no need for further guidance on the treatment of confidential information because the practices under the existing UNFCCC review processes serve as a reference for the treatment of confidential information, such as decision 12/CP.9.

F. Matters related to the international registry

20. To aid Parties in their further consideration of this matter, annex I contains a list of provisions related to the international registry.

21. The following general views were expressed:

(a) The international registry must be able to perform the functions, including tracking information on authorization and first transfer, set out in paragraph 29 of the Article 6.2 guidance in relation to participating Party registries and further elaborated in decision 6/CMA.4, annex, paragraph 1;

(b) Paragraph 30 of the Article 6.2 guidance provides that the international registry shall be used by:

(i) Participating Parties that do not have or do not have access to a registry as per paragraph 29 of the Article 6.2 guidance;

(ii) Any Party that requests an account in the international registry;

(c) The international registry should be able to fulfil all registry functions so that any Party that uses it can produce the required reporting;

(d) Interoperability of the international registry, including the possibility for transfers of ITMOs, was agreed at CMA 4, including for the transfer of ITMOs;⁶

(e) It is critical to have an international transaction log that facilitates transactions between the Party-specific sections of the international registry, the national registries, and the connection and transactions between the mechanism registry and the international registry;

⁶ See decision 6/CMA.4, annex I, paras. 9, 10, 23 and 24.

(f) Under a decentralized system (with specific units underlying the ITMOs), Parties must be able to make arrangements with underlying unit registries and carbon crediting programmes so that the relevant information is made available to them, including on transactions of the underlying units;

(g) The 'shall' provisions of the provisions in relation to registries needs careful consideration;

(h) Elements elaborated in the technical paper⁷ from last year can be brought back into consideration, including the concept associated with accounting amounts and unit tracking, and the mode of tracking for the international registry clarified;

(i) Registry matters:

(i) Are a systemic issue;

(ii) May inhibit cooperation if not handled carefully;

(j) The transparency of tracking by the underlying registry is a concern;

(k) Tracking is key to transparency and nothing should prevent its proper functioning to deliver transparency;

(l) It is crucial not to blur the line between the reporting and tracking platform {*Note: Understood to refer participating Party registry*} and the functions of credit issuance, transactions and transactional transfers;

(m) It is a Party's prerogative to determine:

(i) How to engage in cooperative approaches and whether it needs centralized tools for tracking;

(ii) The scope of any interoperability arrangements;

(iii) Whether to use existing registries;

(n) It is necessary to clarify how information on first transfer is communicated to the host Party for ITMOs that have been transferred from the host Party to another participating Party and an information feedback loop is required;

(o) There is a need for substantial capacity-building efforts by the secretariat to support participating Parties without experience of operating registries owing to the highly technical nature of issues related to Article 6 infrastructure in general and registries in particular.

22. Regarding additional functionalities and procedures for the international registry to allow for transfer of A6.4ERs to the international registry, the following options for the connection between the international registry and the Article 6.4 mechanism registry were outlined:

(a) **Option 1:** The connection allows for the automated pulling and viewing of data and information on holdings and the action history of authorized A6.4ERs for use by participating Parties that have an account in the international registry as per decision 6/CMA.4, annex, paragraph 49. Further, a participating Party registry may connect to the Article 6.4 mechanism registry in the same way. Parties will have accounts in the Article 6.4 mechanism registry for the purpose of transferring A6.4ERs. No external transfers of A6.4ERs are possible from the Article 6.4 mechanism registry;

(b) **Option 1.1:** Option 1 above applies to the connection between the international registry and the Article 6.4 mechanism registry, with an open-ended question about the possibility of connecting the Article 6.4 mechanism registry to participating Party registries for the purpose of transfers of A6.4ERs in accordance with decision 7/CMA.4, paragraph 9(b), including the nature and extent of interoperable features;

(c) **Option 2:** The international registry is able to receive transfers of A6.4ERs from the Article 6.4 mechanism registry, and to and from participating Party registries, in accordance with the interoperability provisions of decision 6/CMA.4, annex I, paragraphs 23–24, which state that the

⁷ <https://unfccc.int/documents/613840>

connection of the mechanism registry to the international registry shall, at a minimum, enable the functions referred to in paragraphs 9–10 of the same annex and be implemented in accordance with future decisions of the CMA, and that a participating Party may connect its registry to the international registry. Paragraphs 9–10 of that annex elaborate the interoperability arrangements between participating Party registries with respect to the inter-registry transfer of ITMOs (*Note:* Under this option, the transfer of A6.4ERs to participating Party registries is enabled through the A6.4ERs being initially transferred from the Article 6.4 mechanism registry to the international registry before they can be transferred to a participating Party registry until such time that the Article 6.4 mechanism registry can connect to participating Party registries);

(d) **Option 2.1:** Option 2 above applies, with the possibility of connecting the Article 6.4 mechanism registry to participating Party registries for the purpose of transferring A6.4ERs in accordance with decision 7/CMA.4, paragraph 9(b), including the nature and extent of interoperable feature.

23. Regarding further guidance on procedures for reporting and review in relation to the cooperative approaches being applied by participating Parties requesting international registry services, the relevant provisions should not duplicate similar processes already in place.

24. Regarding accounts in the international registry and the role of the international registry administrator, in accordance with the Article 6.2 guidance contained in decision 6/CMA.4, annex I:

(a) All account and transaction types that may happen in a national registry should also be available in Party-specific sections of the international registry;

(b) The following options for access to accounts in the international registry were identified:

(i) **Option 1:** Only participating Parties should have access to accounts in the international registry;

(ii) **Option 2:** Both participating Parties and authorized entities may open accounts;

(c) The following necessary account types were identified:

(i) Participating Parties should at least have the same accounts as those as agreed by the CMA for the Article 6.4 mechanism registry;⁸

(ii) Participating Party accounts with sub-accounts to support the compilation of information required for the AEF, including ITMOs authorized for use, and the different authorization types, such as for other international mitigation purposes or use towards another Party's NDC, the quantity of ITMOs first transferred, the quantity of ITMOs acquired to be used towards its NDC and ITMOs voluntarily cancelled toward overall mitigation in global emissions;

(iii) Administrative cancellation or corrective account to enable corrective actions to take place, as necessary;

(d) It is necessary for the secretariat, as the administrator of the international registry, to:

(i) Develop and maintain appropriate standards and procedures for interoperability with other registries to mitigate risks concerning data consistency;

(ii) Draw on its experience as international transaction log administrator, as well as on the experience of other compliance and voluntary registry administrators, including with a view to protecting against fraud and simplifying automated real-time reporting;

(iii) Develop the processes and procedures for operating the international registry, including with a view to clarifying the tracking of underlying mitigation activities and outcomes, including on the basis of sharing of lessons and experience from the registry forum mandated by CMA.⁹

⁸ As per para. 32 of the annex to decision 7/CMA.4.

⁹ As per para. 34 of decision 6/CMA.4

25. Other views expressed included the following:

- (a) The international registry should facilitate the generation and submission of the AEF, including through seamless integration between the international registry and the CARP;
- (b) The robustness of underlying systems should not be the focus of the international registry;
- (c) The international registry should be understood only as an interim solution for Parties that have not yet implemented their national registry;
- (d) The question arose as to whether a Party that uses an independent standard registry will be able to produce the required reporting and therefore the use of independent standard registries needs to be clarified;
- (e) Transactional registries are significantly more costly to implement and operate;
- (f) The information available from the secretariat does not provide details on the cost implications of the operations of the international registry;
- (g) The importance of launching the registry forum, as decided in paragraph 34 of decision 6/CMA.4, and complete the work on the mandates as per paragraph 32 of the same decision was underscored;
- (h) Capacity-building support can be accessed from international institutions, like the World Bank.

G. Process for authorization pursuant to decision 2/CMA.3, annex, paragraphs 2, 18(g) and 21(c)

26. To aid Parties in their further consideration of this matter, annex II contains a list of provisions related to authorization.

27. The following general views were expressed:

- (a) It is necessary to unpack the provisions related to authorization with a view to clarifying the implications of these provisions, as well as the types of authorization and processes relevant to authorization due to implications on other elements of the Article 6.2 guidance, including the AEF and registries;
- (b) Authorization and the process for authorization:
 - (i) Should be considered in the context of the overarching principles embedded in the Article 6.2 guidance:
 - a. National prerogative of Parties to issue authorization;
 - b. Environmental integrity, good governance and avoidance of double counting;
 - c. Transparency, accuracy, completeness, comparability and consistency;
 - d. Safeguards and the elements of the eleventh preambular paragraph of the Paris Agreement;
 - (ii) Should be left to the participating Party to design as authorization related to national assets and changes to authorization are a host Party sovereign matter;
 - (iii) Authorization is a national responsibility;
 - (iv) It is important to understand the process that was agreed and not to overcomplicate the guidance merely for the sake of addressing specific situations;
 - (v) The need to minimize reporting burden should be balanced with the need for robustness of the authorization process;
 - (vi) Guidance is needed on the process for change to authorization;

- (c) Regarding authorized entities, it is necessary to look deeper into the definition because owing to the lack of clarity it is not possible to reconcile records about authorized entities at the end of the ITMO use cycle given that ITMOs may be further traded by other entities or be used by such other entities, which the host Party may not be able to track beyond its national jurisdiction. Default options could be considered for Parties, CORSIA airlines or other users, including individuals;
 - (d) Authorization is unlikely to change significantly on a regular basis, although the possibility for changes is provided for in the Article 6.2 guidance;¹⁰
 - (e) A loose and unclear authorization process could be counterproductive for environmental integrity and cause market disruptions;
 - (f) It is important to enable Parties to understand and define what ITMOs are in respect of their domestic frameworks and not only environmental frameworks with a view to enhancing understanding of the appropriate terminology with respect to possible changes such as revocation or withdrawal;
 - (g) Changes in authorizations will have an impact on the first transferring Party, its capacity to achieve its NDC, business predictability, the review process and the infrastructure such as the registry and the CARP and the risks for the goals of the Paris Agreement have to be managed;
 - (h) The changes to authorization may be small and administrative in nature, like a change to the name of an entity, or be significant changes, like a change in the scope of the authorization;
 - (i) For changes that are approved after the authorization but before transfer it is sufficient to report the changes for transparency;
 - (j) Changing or revoking an authorization should be clearly justified by the Party;
 - (k) Changes are tracked and included in the reporting infrastructure and are subject to consistency check by the secretariat;
 - (l) Changes should be limited to exceptional circumstances;
 - (m) Changes should be made with consideration of implications for share of proceeds and overall mitigation in global emissions, in particular for the Article 6.4 mechanism;
 - (n) Balance between flexibility for allowing changes and their impact on markets and entities needs to be found.
28. Regarding the structure of the authorization process, the following elements were identified:
- (a) Type of authorization;
 - (b) Participating Party issuing authorization;
 - (c) Format and content, including for each authorization type, as applicable;
 - (d) Process for managing changes to authorization;
 - (e) Reporting;
 - (f) Timing;
 - (g) Changes to authorization.
29. Regarding authorization types:
- (a) **Option 1:** Different authorizations should be separated as follows:
 - (i) Authorization of the cooperative approach as per paragraph 18(g) of the Article 6.2 guidance;
 - (ii) Authorization of the use of ITMOs as per paragraph 1(f) of the Article 6.2 guidance, in relation to which it was noted that it is necessary to address issues before issuing an authorization and submitting an initial report, and reflect the relevant due diligence processes within the authorization;

¹⁰ As per decision 2/CMA.3, annex, para. 21(c).

(iii) Authorization of entities as per paragraph 1(f) of the Article 6.2 guidance;

(b) **Option 2:** An authorization is general in nature and may refer to a system and the parameters of what is authorized within that system but enables different degrees of specificity with regard to specific categories of activity and may change in scope over time.

(Note: Where intervention in relation the following elements specified an authorization type, this reference is included.)

30. Regarding the participating Party that provides authorization, it was noted that both the host Party and the using Party have to provide authorization, including jointly agreeing on any changes.

31. Regarding the format and content of the authorization, the following was suggested:

(a) Minimum elements to be included should be:

(i) For authorization of the cooperative approach (*the following is a list of possible minimum elements compiled from various suggestions*):

- a. Date;
- b. Identifier of the cooperative approach;
- c. Participating Party;
- d. Amount or maximum amount authorized;
- e. Percentage allocation of mitigation outcomes between participating Parties;
- f. Other possible elements such as mitigation activity, sector, vintage, metric, crediting period, and NDC period for which the use of ITMOs is authorized;

(ii) For authorization of the use of ITMOs:

- a. The authorized use (e.g. towards NDCs or for other international mitigation purposes or both);
- b. Triggers for corresponding adjustments as per paragraph 2(b) when ITMOs are authorized as per paragraph 1(f) of the Article 6.2 guidance;
- c. Terms and conditions for changes;
- d. Other possible elements such as geographical location, methodology, and baseline approach;

(iii) For authorization of entities:

- a. Identifiers of entities;
- b. Further relevant information;

(b) Other elements that may be included were identified as follows:

(i) In relation to general authorization, conditions for changes to the scope of the authorization (i.e. narrowing or expanding it), or revocation, or to the timing of the authorization, and how this is managed should be included in the cooperative approach procedures, including from the perspective of the Party that is providing the authorization and any other participating Parties in the cooperative approach;

(ii) Safeguards with respect to any changes should be included in the scope of the cooperative approach authorization;

(c) The authorization content with respect to baseline approach should be aligned between Article 6, paragraph 2, and Article 6, paragraph 4, authorizations;

(d) The BTR should include summary information in relation to authorization;

(e) The authorization should follow a template that is:

(i) Standardized;

- (ii) User-friendly;
 - (f) Clarity is needed on how authorization information provided in a letter is captured in the registry (*of the authorizing Party or another participating Party*).
32. Regarding the process for managing changes to authorization, the following options were identified:
- (a) The process should be addressed at the cooperative approach level, including for general authorization whereby specificity may be added over time in relation to authorizing specific categories, activities, vintages, etc., or by expanding the scope of authorization, as may be relevant for the nature of the cooperative approach;
 - (b) The process should be clarified and included in the authorization of the use of ITMOs;
 - (c) For changes to authorization before transfer, it is sufficient to report them.
33. Regarding the reporting of authorizations:
- (a) The transparency of the authorization process is managed through reporting arrangements, including in the initial report (copy of authorization), the annual information in the AEF, and the regular information underpinned by the tracking arrangements enabled through registries, specifically:
 - (i) A copy of the authorization of the cooperative approach is to be included in the initial report;
 - (ii) Authorization of the use of ITMOs is to be included in the AEF.
34. Regarding timing of authorization, the following options were identified:
- (a) **Option 1:** At any time;
 - (b) **Option 2:** Before the generation of mitigation outcomes;
 - (c) **Option 3:** After the generation of mitigation outcomes;
 - (d) **Option 4:** Before or at the time of first transfer;
 - (e) **Option 5:** After the Party has demonstrated that it has achieved its NDC, similar to the requirements under Article 5, paragraph 2.
35. Regarding the scope of changes to authorization, the following options were identified:
- (a) **Option 1:** Any changes can be made as this is a matter of national prerogative;
 - (b) **Option 2:** Changes have to be limited to those that do not affect the amount of ITMOs and their authorized uses, with the exception of expanding the authorized use(s);
 - (c) **Option 3:** The acquiring Party cannot change the authorized use for the ITMOs;
 - (d) **Option 4:** Changes to authorization are not possible, except for in the circumstances of a human rights violation or violation of the cooperative approach agreement.
36. Regarding the when changes to authorization can be made, the following options were identified:
- (a) **Option 1:** Before transfer;
 - (b) **Option 2:** Before first transfer;
 - (c) **Option 3:** After issuance of ITMOs with the agreement of the participating Parties;
 - (d) **Option 4:** After the agreement of the cooperative approach and the application of corresponding adjustments in accordance with the issuance of mitigation outcomes;
 - (e) **Option 5:** At any time according to the agreement underpinning the cooperative approach and the type of changes Parties may have agreed to accept.
37. Regarding the limits to and implications of changes to authorization, the following options were identified:

- (a) **Option 1:** Revocation of authorization is not possible;
 - (b) **Option 2:** Revocation cannot have a retroactive effect;
 - (c) **Option 3:** In case of revocation after either transfer or first transfer, the change will affect only ITMOs that have not yet been transferred or first transferred;
 - (d) **Option 4:** For changes to authorization of use after transfer or first transfer, the following implications have to be considered:
 - (i) Whether the ITMOs have been used or cancelled;
 - (ii) Whether the ITMOs have not been used or cancelled;
 - (e) **Option 5:** For changes of authorization of entities, the change cannot have a retroactive effect for already conducted activities; for example, if an entity is deauthorized, for any first transfer that has occurred, the host Party remains liable for the application of corresponding adjustments.
38. It was suggested that a manual on the process of authorization could be developed, with examples of how to report authorizations.

H. Application of decision 2/CMA.3, annex, paragraph 2, on mitigation outcomes authorized by a participating Party for use towards achievement of a nationally determined contribution and for other international mitigation purposes in accordance with decision 2/CMA.3, annex, paragraph 1(d) and (f)

39. The following general views were expressed:
- (a) The definition of first transfer is provided in paragraph 2 of the Article 6.2 guidance;
 - (b) It is important to agree on guidance in scenarios where ITMOs are authorized for both purposes, for use towards NDCs and other international mitigation purposes, because it is unclear at which point the ITMO is considered first transferred and consequently when to account for the necessary corresponding adjustments;
 - (c) Confusion about first transfer may come from the definition given under the Article 6.4 mechanism, where first transfer is described as “first international transfer of an ITMO”.
40. Regarding clarifying when the first transfer would occur, and corresponding adjustments that must be applied for ITMOs authorized for use towards NDCs and other international mitigation purposes, the following options were identified:
- (a) **Option 1:** The first transfer should be the earlier point in time between the international transfer of the mitigation outcome pursuant to decision 2/CMA.3, annex, paragraph 2(a), and the first transfer as defined by the first transferring Party pursuant to decision 2/CMA.3, annex, paragraph 2(b);
 - (b) **Option 2:** The cooperative approach authorization could specify which first transfer criteria should be applied.
41. Regarding specification of first transfer pursuant to decision 2/CMA.3, annex, paragraph 2(b), the following non-mutually exclusive options were identified:
- (a) **Option 1:** Shall be defined as part of the authorization provided pursuant to paragraph 18(g) of the Article 6.2 guidance in the initial report;
 - (b) **Option 2:** Shall be the same for all ITMOs authorized under a cooperative approach.
42. Regarding the need to establish a communication process for notifying the first transferring Party when an ITMO has been used or cancelled in another registry, a communication process can be clarified in the cooperative approach authorization and reported in the initial report.

I. Common nomenclatures referred to in decision 6/CMA.4, annex I, chapter II.B

43. The following general views were expressed:

(a) Common nomenclatures are necessary to ensure consistency and comparability of reporting and facilitate the review process, and provide a practical way to clarify the meaning and align the use of certain terms;

(b) Common nomenclatures can reduce the reporting burden by, inter alia, providing content for drop-down lists in the AEF tables.

(c) There is insufficient understanding of the role and implications of common nomenclatures;

(d) Discussion on common nomenclature has already happened in relation to unique identifiers, registries, the AEF and other topics;

(e) This is a technical area with little potential for disagreement between Parties;

44. Regarding the composition of the list of common nomenclatures, as noted in paragraph 43(b) above, the following terms can be identified at this stage:

(a) Parties;

(b) Registries;

(c) Activity types;

(d) Metrics;

(e) Units of measurement;

(f) Types of authorization that may be given;

(g) Names and parameters of cooperative approaches;

(h) Sectors;

(i) Account types;

(j) Actions or transaction types.

45. Regarding specific elements to be included in specific common nomenclatures, the following options were identified:

(a) **Option 1:** Common nomenclatures should include an indication of whether Article 6, paragraph 2, activities reflect share of proceeds and overall mitigation in global emissions contributions to enable the possibility to see the effect of cooperative approaches on increasing resources for adaptation and mitigation;

(b) **Option 2:** There is no need to differentiate common nomenclature elements on the basis of share of proceeds and overall mitigation in global emissions.

46. Regarding maintaining common nomenclatures, the following was noted:

(a) The CARP shall enable the management of a common list of values for specific information attributes required for reporting annual information in accordance with decision 2/CMA.3, annex, chapter IV, as per decision 6/CMA.4, annex I, paragraph 28;

(b) There is a need to elaborate the process for maintaining the lists of common nomenclatures and their elements over time.

47. It was noted that the European Union is not included¹¹ in the international standard for country codes and the codes for their subdivisions (ISO 3166) and this should be accommodated under common nomenclatures for participating Parties.

J. Further consideration of the special circumstances of the least developed countries and small island developing States

48. The following general views were expressed:

- (a) The special circumstances of the LDCs and SIDS include:
 - (i) Limited experience;
 - (ii) Lack of national institutional capacity;
 - (iii) Lack of specialized human resources;
 - (iv) Lack of basic technologies to monitor, implement and enforce accounting and mitigation measures;
 - (v) Economic special circumstances that will cause GHG emissions to increase and leave a large proportion of the population without access to clean water, fuel and electricity;
 - (vi) Lack of financial resources and unfavourable market conditions that limit the ability to afford the transaction costs of implementing mitigation actions;
 - (vii) Asymmetry of information that leads to unbalanced and unfair negotiation conditions;
- (b) The LDCs and SIDS contribute minimally to climate change, yet they are disproportionately burdened by its impacts, which highlights their vulnerability;
- (c) Alleviating the special circumstances is crucial, and capacity-building helps, yet it requires considerable time;
- (d) There is a need for just and fair rules that consider the special circumstances of the LDCs and SIDS, enabling them to engage in cooperative approaches;
- (e) Addressing issues related to the special circumstances can be challenging given that the Article 6.2 guidance is still under development;
- (f) The special circumstances of the LDCs and SIDS are already recognized in the Article 6 guidance. However, details on their practical implementation are missing.

49. Regarding specific approaches to recognizing the special circumstances of the LDCs and SIDS, the following were proposed:

- (a) Provide an open-ended mandate to continuously evaluate and review the consideration of the special circumstances of the LDCs and SIDS;
- (b) Establish basic principles and guidelines on how to address the consideration of the special circumstances under Article 6 as a continuous process;
- (c) Identify and prioritize key areas for immediate action regarding the special circumstances within a defined time frame and define the next steps on the basis of progress;
- (d) Integrate experience and knowledge from existing mechanisms, both within and outside the UNFCCC, into the Article 6 negotiations process to provide insights into how the special circumstances can be accommodated in alignment with the Paris Agreement;

¹¹ Although the European Union, not being a country or a subdivision thereof from the point of view of the standard, does not have an assigned code in ISO 3166, the code EUE is reserved in the standard for use in machine-readable travel documents issued to civil servants and members of the institutions of the European Union, such as a laissez-passer). This code is compatible with ISO 3166 and therefore a good candidate for use in the common nomenclature of Parties.

(e) Consider existing decisions in relation to capacity-building for developing countries that may be relevant to Article 6 activities;

(f) Recognize the same flexibility for the LDCs and SIDS as in Articles 4 and 13 in Article 6.2 guidance. This flexibility should be reflected in the scope, frequency and level of reporting detail and allow the self-determination of these Parties in accordance with their capacities;

(g) With regard to the flexibility described in subparagraph (f) above, delaying reporting on ITMOs might not be beneficial, and capacity-building enabling timely reports would be more advantageous.

K. Options for funding the activities related to the infrastructure and the technical expert review under Article 6, paragraph 2

50. The following general views were expressed:

(a) The elements that require funding are:

(i) The international registry.

(ii) The Article 6 technical expert review process;

(iii) Many other activities under Article 6 are yet to be conducted;

(b) It is important to identify how participating Parties can be charged for the costs of services related to Article 6.2;

(c) There are concerns about creating infrastructure that will not be used later on.

51. Regarding funding:

(a) The Article 6, paragraph 4, methodology for charging fees should be considered when identifying and assessing options for charging fees for the costs related to the operation of the Article 6.2 infrastructure and review activities, while considering the differences between the two systems;

(b) It is important to have a breakdown of the costs in the upcoming technical paper;¹²

(c) It is important to conduct a survey of Parties to obtain a realistic assessment of the potential uptake of infrastructure and the scope of Article 6 technical expert review activities in order to estimate the associated costs.

L. Recommendation on the manual containing illustrative elements of information for the initial report, updated initial report and annex 4 to the biennial transparency report (Regular information)

52. In decision 6/CMA.4, paragraph 23, the secretariat was requested to develop and regularly update a manual containing illustrative elements of information (including those captured by the CMA in relation to decision 6/CMA.4, paragraph 22) for the initial report, updated initial report and annex 4 to the BTR to facilitate Parties' understanding of how to report information pertaining to decision 2/CMA.3, annex, paragraphs 18–22, taking into account the outcomes of the workshop on potential challenges participating Parties may face in addressing different elements of the initial report and to support the identification of related capacity-building needs conducted in the first intersessional period of 2023¹³ and noting that the illustrative elements of information to be included in the manual have no formal status, are for voluntary use and shall not be used or referred to in the Article 6 technical expert review.

53. Regarding the content of the manual, the illustrative elements of information should:

¹² As per decision 6/CMA.4, para. 38.

¹³ <https://unfccc.int/documents/628441>.

- (a) Be developed on the basis of best practice for existing manuals under the UNFCCC process;
- (b) Be elaborated in a manner that ensures consistency and transparency of the initial report and regular information, particularly in relation to accounting issues;
- (c) Promote uniformity in reporting and trust and credibility of the Article 6.2 system;
- (d) Be simple, while still providing necessary explanations in accordance with the agreed reporting requirements;
- (e) Assist in understanding the outlines and tables for the initial report and support the completion of the report, including being organized (*in the manual*) according to the outlines for the initial report and regular information adopted by the CMA;¹⁴
- (f) Aim to assist with reducing risks related to inconsistencies, while also assisting Parties with limited capacity in developing and submitting their initial report at the earliest possible date;
- (g) Be developed in a manner that explains the elements contained in each of the relevant paragraphs of the Article 6.2 guidance that stipulate multiple reporting requirements; for example, the manual should contain illustrative elements of information in relation to each element of paragraph 18(h)(ii);
- (h) With regard to the initial report, encourage inclusion of information not only in accordance with the corresponding requirements for initial reports, but also information that would be useful for showing the transparency of subsequent reporting through updated initial reports and regular information; for example the illustration in relation to how the cooperative approach ensures environmental integrity (para. 18(h), to be updated by para. 22(b)), should include, where applicable, methodological considerations regarding the measurement of mitigation outcomes, as well as the reference levels and baselines;
 - (i) Be of a practical nature;
 - (j) Be informed by Article 6.4 mechanism activities;
 - (k) Contain examples and case studies that are not country-specific;
 - (l) Contain questions and answers;
 - (m) Be responsive to the needs of participating Parties, including:
 - (i) Clarify what it means for a participating Party to have arrangements in place for authorizing the use of ITMOs towards achievement of NDCs pursuant to Article 6, paragraph 3;
 - (ii) Illustrate how participation contributes to the implementation of the NDC of the reporting Party and its long-term low-emission development strategy, if it has one, and the long-term goals of the Paris Agreement in a manner that:
 - a. Enables understanding of the cumulative impact of the cooperative approaches in which the reporting Parties participate, including when reported over time through the initial report and updated initial reports;
 - b. Reflects the activities under the Article 6.4 mechanism;
 - (iii) Illustrate how Parties might approach the quantification of different types of NDC;
 - (iv) Lay out implications of single-year and multi-year accounting approaches, to enable understanding of the implications of selecting different accounting approaches for transparency, accuracy, completeness, comparability and consistency, and include

¹⁴ As per decision 6/CMA.4, annexes V–VI.

guidance on approaches to trajectories and budgets, as well as on methods, to demonstrate the representativeness of averaging for corresponding adjustments;

(v) Elaborate on what a cooperative approach is, *inter alia*, whether it is a framework for participatory engagement or an individual mitigation activity;

54. Regarding the content of the manual, the illustrative elements of information should not:

(a) Be confusing with regard to the scope of reporting;

(b) Expand the scope of the manual beyond its original intent, asserting that it should assist participating Parties in completing their reports and not guide them on specific aspects of designing their cooperative approaches or national arrangements;

(c) Focus only on the link between the cooperative approach and mitigation targets;

(d) Illustrate what a cooperative approach is (in contrast with paragraph 53(m)(v) above);

(e) Illustrate how a participating Party should respond in relation to inconsistencies identified in relation to its reporting.

55. Regarding the process for the manual, Parties proposed the following considerations:

(a) A proposed timeline by the end of 2023 and a draft version as soon as practically possible in the intersessional period before CMA 5, taking into account the operational plans of the secretariat;

(b) An approach for providing regular updates on the basis of inputs by Parties and developments to the Article 6.2 reporting process;

(c) The need for emphasis on further developing the examples included in the manual.

56. Other views expressed included the following:

(a) The value of the manual for capacity-building in relation to reporting was underscored;

(b) Organizing a workshop on the development of the manual may be helpful.

M. Tables for submitting annual information as part of the regular information, as referred to in decision 2/CMA.3, annex, paragraph 23(j)

57. The following general views were expressed:

(a) The information reported as per decision 2/CMA.3, annex, paragraph 23(j), provides an overview of the activities carried out under the cooperative approaches;

(b) A table in the SBSTA Chair's informal document on Article 6.2 of October 2022¹⁵ can be used, with the AFOLU sector being separated into the agriculture and land use, land-use change and forestry sectors, since those sectors are separated in the reporting under Article 13;

(c) Aggregating the annual information by year, by cooperative approach, and by other elements will be useful;

(d) The CARP can elaborate the table containing the information requested in decision 2/CMA.3, annex, paragraph 23(j), to facilitate the reporting;

(e) There is overlap between the information submitted as per decision 2/CMA.3, annex, paragraph 23, and the information that needs to be provided in the structured summary;

(f) The work on developing the tables as per decision 2/CMA.3, annex, paragraph 23, was not completed at CMA 4 and could be continued at CMA 5, despite the mandate referring to decision 2/CMA.3, annex, paragraph 23(j).

¹⁵ SBSTA57/A6.2/InfDoc, pp.54–55.

58. Regarding the reporting of annual information as part of the regular information, the following options were identified:

(a) **Option 1:** The regular information is reviewed separately from the structured summary and therefore the information should be provided in a specific format;

(b) **Option 2:** Not reporting regular information in a table since all the information will be part of the CARP and will be included in the structured summary.

59. On the layout of the information to be submitted as per decision 2/CMA.3, annex, paragraph 23(j):

(a) **Option 1:** Provide separate summary tables for cooperative approaches and ITMOs transferred, first transferred, used towards other international mitigation purposes and used towards NDCs;

(b) **Option 2:** Provide separate tables for each level of information, including Parties and sectors.

60. Regarding the review process of the information in decision 2/CMA.3, annex, paragraph 23:

(a) The information reported as per decision 2/CMA.3, annex, paragraph 23(j) is less useful for the reviewers since they have access to the AEF and the results of the consistency check;

(b) The Article 6 technical expert review should take into account the interlinkages between the AEF, the annual information as part of the regular information, the structured summary and the consistency checks to ensure coherence of the reported information.

N. Consideration of possible implications for the reporting of annual information pursuant to decision 2/CMA.3, annex, paragraphs 20 and 23, from the application of methods for converting the non-greenhouse gas metric into tonnes of carbon dioxide equivalent in accordance with decision 2/CMA.3, annex, paragraph 22(d), with a view to ensuring that the amount of internationally transferred mitigation outcomes in a non-greenhouse gas metric acquired by a participating Party does not exceed the amount of internationally transferred mitigation outcomes in the non-greenhouse gas metric of the participating Party initiating the transfer

61. The following general views were expressed:

(a) The best available science and thorough methodological work are required in order to avoid discrepancies in ITMO amounts caused by conversion of ITMOs in non-GHG metrics, which may become a source of uncertainty and jeopardize the Article 6 system as a whole;

(b) It is important to ensure that no net increase in emissions results from implementing cooperative approaches on the basis of non-GHG metrics;

(c) It is important to use well-established methodological guidelines for measurement and conversion of non-GHG metrics, such as the IPCC methodological guidelines, that should be, for project-based activities, comparable or identical to those accepted under the Article 6.4 mechanism, which would ensure consistency across cooperative approaches.

62. Regarding the approach to conversion:

(a) It shall be transparently communicated by Parties through the initial report and regular information, including how each cooperative approach they participate in handles measurement of mitigation outcomes in non-GHG metrics, including eventual conversion;

(b) The conversion methods applied should exclude, or at least explain, any discrepancies resulting from conversion in the amount of ITMOs and this information will be subject to consistency checks and technical expert review;

(c) Adequate methodological robustness should ensure that the amount of ITMOs in a non-GHG metric acquired by a participating Party does not exceed the amount of ITMOs in the non-GHG metric of the participating Party initiating the transfer, or at least explain the discrepancy.

63. Other views expressed included the following:

(a) The work on non-GHG metrics should focus on the way to reflect non-GHG metrics and their conversion in the AEF, including the question of common nomenclatures necessary to enable reporting, such as the nomenclatures of possible metrics and units of measurement;

(b) Parties engaging in cooperative approaches currently use tonnes of carbon dioxide equivalent. No known cooperative approaches are expressed in non-GHG metrics. Parties should proceed with the implementation phase of Article 6, paragraph 2, and return to the topic of conversion when there are real practical examples of the use of non-GHG metrics.

Annex I

Provisions related to the registries agreed as part of the guidance and matters related to cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement and matters and rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement

1. This annex contains adopted provisions and CMA work-programme elements on matters related to registries established by the CMA in the context of Article 6, paragraph 2, of the Paris Agreement and Article 6, paragraph 4, of the Paris Agreement

Table 1
Adopted Provisions

<i>Decision reference</i>	<i>Provision</i>
Decision 2/CMA.3, annex, paragraph 29	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.
Decision 2/CMA.3, annex, paragraph 30	The secretariat shall implement an international registry for participating Parties that do not have or do not have access to a registry. The international registry shall be able to perform the functions set out in paragraph 29 above. Any Party may request an account in the international registry.
Decision 2/CMA.3, annex, paragraph 31	The international registry shall be part of the centralized accounting and reporting platform referred to in chapter VI.C (Centralized accounting and reporting platform).
Decision 3/CMA.3, annex, paragraph 63	The mechanism registry shall contain at least a pending account, holding account, retirement account, cancellation account, account for cancellation towards overall mitigation in global emissions and a share of proceeds for adaptation account, as well as a holding account for each Party and each public or private entity authorized per Article 6, paragraph 4(b), by a Party that requests an account where that entity meets the requisite identification requirements developed by the Supervisory Body. The mechanism registry shall be connected to the international registry referred to in decision 2/CMA.3.
Decision 6/CMA.4, annex I, paragraph 9	Where participating Party registries are interoperable, the Parties participating in a cooperative approach shall, for the purpose of transferring ITMOs, implement appropriate standards and

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<i>Decision reference</i>	<i>Provision</i>
	procedures to mitigate risks to the consistency of data, including through communication of data about the transfer and reconciliation procedures within and between registries.
Decision 6/CMA.4, annex I, paragraph 10	Interoperability of registries should be implemented in such a way that neither Party to an inter-registry transfer could later repudiate the existence, type, time or content of the transfer.
Decision 6/CMA.4, annex I, paragraph 23	Pursuant to decision 3/CMA.3, annex, paragraph 63, the mechanism registry is connected to the international registry. The connection of the mechanism registry to the international registry shall, at a minimum, enable the functions referred to in paragraphs 9– 10 above and be implemented in accordance with future decisions of the CMA.
Decision 6/CMA.4, annex I, paragraph 24	A participating Party may connect its registry to the international registry. Such connections shall apply the interoperability arrangements applicable to all registries as described in chapter I.B above and other relevant future decisions of the CMA.
Decision 7/CMA.4, annex I, paragraph 49	Pursuant to paragraph 63 of the RMPs, the mechanism registry shall be connected to the international registry. The connection shall allow for automated pulling and viewing of data and information on holdings and the action history of authorized A6.4ERs for use by participating Parties that have an account in the international registry.

Table 2
CMA work programme

<i>Decision reference</i>	<i>Provision</i>
Decision 6/CMA.4, paragraph 17(g)	<p>Also requests the Subsidiary Body for Scientific and Technological Advice, on the basis of the guidance in the annex to decision 2/CMA.3 and the further guidance in the annexes to this decision, to develop recommendations, taking into account Party submissions referred to in paragraph 15 above and giving consideration to implementation priorities, for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its fifth session, on:</p> <p>(g) The need for additional functionalities and procedures for the international registry to allow for transfer of Article 6, paragraph 4, emission reductions to the international registry and to provide services for cooperative approaches if voluntarily requested by Parties participating in a cooperative approach, including, inter alia, additional technical functionalities and administrative arrangements, for authorizing account access, and further guidance on procedures for reporting and review for the cooperative approaches of the participating Parties requesting such services, which may be required in addition to the relevant guidance in decision 2/CMA.3 and annex I to this decision;</p>
Decision 6/CMA.4, paragraph 17 (h)	<p>(h) The accounts of the international registry and the role of the international registry administrator, in accordance with the guidance contained in annex I;</p>
Decision 6/CMA.4, paragraph 17 (i)	<p>(i) The submission of information by Parties using the international registry as the basis for tracking internationally transferred mitigation outcomes;</p>
Decision 7/CMA.4, paragraph 9 (b)	<p>Also requests the Subsidiary Body for Scientific and Technological Advice to continue its consideration of, and to develop, on the basis of the rules, modalities and procedures for the mechanism and elaboration thereon, recommendations for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its fifth session (November–December 2023) on:</p> <p>(b) Connection of the mechanism registry to the international registry as per paragraph 63 of the rules, modalities and procedures for the mechanism, as well as to other registries referred to in decision 2/CMA.3, annex, paragraph 29, if applicable, including the nature and extent of interoperable features;</p>

Annex II

Provisions related to authorization included in the guidance and matters related to cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement

1. This annex contains adopted provisions and CMA work-programme elements on matters related to authorization on matters related to Article 6, paragraph 2, of the Paris Agreement

Table 1
Adopted Provisions

<i>Decision reference</i>	<i>Provision</i>
Decision 2/CMA.3, annex, paragraph 2(b)	A “first transfer” is: (b) For a mitigation outcome authorized by a participating Party for use for other international mitigation purposes, (1) the authorization, (2) the issuance or (3) the use or cancellation of the mitigation outcome, as specified by the participating Party.
Decision 2/CMA.3, annex, paragraph 3	Each Party participating in a cooperative approach that involves the use of ITMOs (hereinafter referred as a participating Party) shall ensure that its participation in the cooperative approach and the authorization, transfer and use of ITMOs is consistent with this guidance and relevant decisions of the CMA and that it applies this guidance to all corresponding adjustments and cooperative approaches in which it participates.
Decision 2/CMA.3, annex, paragraph 18(g)	Each participating Party shall submit an Article 6, paragraph 2, initial report (hereinafter referred to as an initial report) no later than authorization of ITMOs from a cooperative approach or where practical (in the view of the participating Party) in conjunction with the next biennial transparency report due pursuant to decision 18/CMA.1 for the period of NDC implementation. The initial report shall contain comprehensive information to: (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
Decision 2/CMA.3, annex, paragraph 20(a)	Each participating Party shall, on an annual basis by no later than 15 April of the following year and in an agreed electronic format, submit for recording in the Article 6 database referred to in chapter VI.B below (Article 6 database): (a) Annual information on authorization of ITMOs for use towards achievement of NDCs, authorization of ITMOs for use towards other international mitigation purposes, first transfer, transfer, acquisition, holdings, cancellation, voluntary cancellation, voluntary cancellation of mitigation outcomes or ITMOs towards overall mitigation in global emissions, and use towards NDCs

<i>Decision reference</i>	<i>Provision</i>
Decision 2/CMA.3, annex, paragraph 21(c)	Each participating Party shall include, as an annex to its biennial transparency reports that are submitted in accordance with paragraph 10(b) of the annex to decision 18/CMA.1 and no later than 31 December of the relevant year, the following information in relation to its participation in cooperative approaches: (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;
Decision 2/CMA.3, annex, paragraph 29	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.
Decision 6/CMA.4, annex I, paragraph 1(b)	Each Party participating in a cooperative approach referred to in Article 6, paragraph 2, shall have, or have access to, a registry for the purpose of tracking that: (b) Records the actions relating to ITMOs, including 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);
Decision 6/CMA.4, annex I, paragraph 7	Each participating Party shall ensure that the registry records information and data on 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).
Decision 6/CMA.4, annex I, paragraph 20	The international registry shall enable, for each participating Party, the automatic pre- filling of the agreed electronic format and of other quantitative information requirements pursuant to decision 2/CMA.3, annex, chapter IV (Reporting), including in relation to authorized Article 6, paragraph 4, emission reductions.
