Informal Forum on Implementation of Article 6

Art 6.2: Infrastructure

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Article 6.2: Infrastructure

Objectives

• Understand the text
• Identify issue for discussion
• Use pre SBSTA sessions to prepare for negotiations
Article 6.2 Infrastructure: Principles

• Create the conditions to work in the decentralized and bottom-up nature of the Paris Agreement

• Avoidance of double counting.

• Transparency is an important function and is a fundamental building block of the Paris Agreement. Accommodate the reporting requirements under Art 6 and make the mandated review possible

• Ensuring feasibility that a carbon market can emerge, and that trading can take place, in transparent and operational manner is also a necessary function.
Article 6.2: Infrastructure

• Components of infrastructure
  • Registry
  • Data base
  • CARP

• Functions of infrastructure
  • Avoid double counting
  • Store information regarding Art 6 activities provided through reports
  • Make public information
  • Provide information for the review
  • Provide information for NDC accounting
Initial reporting

• Stored in the CARP to be made available publicly.
• Information is qualitative for each ITMO
• When does the initial reporting take place?
• What is the format of Initial report an
• Will each initial issuance have a unique identifier
• Where will be stored?
• Unique format?
Article 6.2: Infrastructure

Annual information

• Provide before April 15 of the following year
• Provided for each ITMO
• Quantitative in nature
• Stored in the Art 6 Data Base (DB)
• How is the information in the DB connected to the info from Initial Reporting
• What is the relationship between 20a & 20b?
Article 6.2: Infrastructure

Regular Information

• Qualitative and quantitative information
• Will be stored in the DB and the CARP?
• Reported in biennial transparency report
• Para 23 is quantitative – annual information submitted
• Overlap with the Annual Reporting Information?
  • Is this an update to the Annual Report? How do they relate?
  • How is information connected to information in the Initial Report
  • Does it use an ITMO or some identifier?
Article 6.2: Infrastructure

Registry

• Can be national or can be part of the UNFCCC International Registry
• Will hold information to be used only by the Party?
• Is it connected to the data base in any way?
• Is there a standardized format for the Registry?
Article 6.2: Infrastructure

Data base

• Stores information received from Annual and Regular Reporting
• How does this information relate to the Initial Reporting
• Refers to: participating Party, vintage activity type, sector
• Is there unity in identifiers used? Format? How Parties define ITMOs?
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Floor approach vs. more integra

Approach 1 : Art 6 as an aggregator

• Markets are run through linked registries that run the various instruments

• Art 6 infrastructure is
  • In parallel;
  • Information integrator for reporting
  • National registries not connected;
  • National registries not connected to data base;
  • Issues to be coordinated
  • ITMOs defined at will
Article 6.2 Infrastructure: Approaches

Approach 2: International coordination

• Agreement and consistency of what an ITMO is – unitized
• Numeric identifier internationally standardized
• National registries linked as a parallel system that tracks ITMOs transferred for carbon market purposes through market registries – but not domestic transfers
Article 6.2 Infrastructure: ITMOS

- ITMOs unitized and uniquely identified through 3 elements
  - For each cooperative approach,
  - For the mitigation action that gives birth to ITMOs,
  - For ITMOs.

- ITMO identifiers issues the the Host Party at time of first transfer