



# Informal Forum on Implementation of Article 6

Article 6: Open issues and options

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**ERCST**

Roundtable on  
Climate Change and  
Sustainable Transition

# Article 6: Open issues and options on the road to Sharm El-Sheikh

## **Infrastructure**

- Registries & International registry
- Article 6 database
- CARP

## **Review: Technical expert review**

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# Art 6 Infrastructure (tracking): Issues and options

## Registries

### Issue: Simplified arrangements for registries

- Registries may be based on simple excel spreadsheet software (*issue of data management?*)
- Is there a need for administrative procedures to avoid or control risks regarding the consistencies of data?  
( *intervening national arrangements?*)

### Issue: tracking of ITMOs in registries

- Unique Identity (*centrally assigned or by Parties?*)
- Any method of tracking (*What are the other methods for tracking?*)

## International Registry

### Issue: Methods of tracking ITMOs: units & accounting amounts uniquely identified

- Accounting of CERs in the mechanism registry as “pre-2021” ERs or in accordance with the CMA decision
- *If assigned by Parties, is there a specific guideline for Parties to tag as “pre-2022” in Unique Identifiers which is aligned with the Mechanism registry?*

### Issue: Accounts

- *No reference on the SOP account in Art 6.2*

### Issue: Authorization of ITMOs towards use(s) & first transfer

- The use as a transfer

# Art 6 Infrastructure: Issues and options

## International Registry

### Issue: Changes to authorization

- Can the ITMOs be revoked/withdrawn if they have not been cancelled or used?
- If revoked/withdrawn, what is the process of revoking an ITMO?

### Issue: Information in the international registry should be used by Art 6 database for consistency checks?

### Issue: Interoperability

- The connection between the mechanism and int'l registry should support multiple tracking (**Unidirectional or Bi-directional**)
- be limited to only viewing information (**automated pulling and viewing of data**)
- connected to the transaction log service of the int'l registry (**based on the requirements connecting registries systems transaction log service**)

### Issue: Connection between registries & international registry

- Compliance with the procedures developed by the international registry administrator (**The role of Parties is unclear in this**)

# Art 6 Infrastructure: Issues and options

## CARP (digital web-based platform) comprises of:

- International Registries
- Article 6 Database

## Issue: Assigning unique identifiers (UI) to all the ITMOs

- Reporting of annual information
- Centrally assigning UI to all ITMOs (Questionable: Decentralized governance structure)
- No text is to be included

## Article 6 Database

### Issue: Consistency checks

- Can Article 6DB receive all the information on authorized 6.4ERs from the mechanism registries?
- Useful for a concise review process

### Issue: Article 6.4 mechanism registry

- Should the Art 6.4 mechanism registry provide appropriate data sets to Art 6 database for proper consistency checks? (Reduced burden of reporting same information twice and timely flow of information)

# Art 6 Review: Issues and options

## Issue: Scope of review

- Review of the consistency of all the information mentioned in Decision2/ CMA.3 (para 18-19 & 21-23) **OR** review of CA and ITMOs

## Issue: What are inconsistencies?

- Defining **consistencies**/ incomplete information is NOT considered an inconsistency.
- **Incomplete information might impede the complete and comprehensive review process**
- **A standard list of elements mandatory for reporting can be incorporated for review**

## Issue: Formats of review

- Initial and updated initial review: centralized or desk review?

## Issue: Sequencing of reviews

- Should the initial report be reviewed before the review of other information which is submitted?
- **Timely reporting back with the inconsistencies**
- **Delay in CA for the transferring and acquiring parties**

# Article 6.2: Open issues and options on the road to Sharm El-Sheikh

- **Authorization**
- **Reporting**

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# Art 6.2 Authorization: Issues and options

## Issue: First transfer of ITMOs

- First transfer after authorization or once the MO is transferred to another Party or used towards OIMP

## Issue: Changes to authorization of ITMOs towards uses

- No change possible (revised authorization of ITMOs towards use(s) can only affect the status of ITMO issued or generated after authorization)
- Can ITMOs be revoked/withdrawn that have not been cancelled or used?

## Issue: Authorization status in the international registry

- No changes should be applicable
- Should the authorization status change in int'l registry in case a Party may revise/revoke/withdraw an authorization?
- Further guidance that may be adopted or specified by the international registry administrator?



# Art 6.2 Reporting: Issues and options

## Issue: Minimum reporting for authorization

- List of elements

Authorization of ITMO towards use[s]	Authorization of entities
• The date of authorization	• Date of authorization
• Reference of authorization decision	• Reference of authorization decision
• First transferring party	• Host and other participating Party
• Issuing authority	• Issuing authority (contact info & elements for authentication)
• Use of ITMO, amount and details of ITMOs towards NDCs and OIMP	• Information (country, scope, relevant link etc) of an authorized entity
• Link to first transferring Party’s public repository	

- Modified list of elements from the above options

## Issue: Clarity on the timeline for submitting the initial report and AEF

- AEF should be submitted after the initial report or review of the initial report
- Not include information on ITMOs in AEF prior to submitting the initial report/ updated initial report.

# Article 6.4: Open issues and options on the road to Sharm El-Sheikh

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# Open issues & options for Article 6.4

- Use of CERs towards achievements of NDCs
- Reporting by host Parties
- Operation of the mechanism registry:
  - Role of mechanism registry administrator in case of
    - Transaction procedures
    - Presentation of a revised statement of authorization that changes authorization status (linked to Reporting)
  - Information: Link between the mechanism registry and A6DB
  - Interoperability (between mechanism registry and international registry)
- Processes necessary for implementing the SoP
  - Share of proceeds for adaptation
- Processes necessary for delivering OMGE
  - [A] Mandatory cancellations
    - Of non-authorized CERs?
    - At the time of transfer?

# Article 6.4: Reporting by host Parties

Issue: when to provide to the SB the statement specifying the authorized type of use of CERs?

- **Option 1 {at registration}**
  - **Option 1.1:** Prior to the registration of each activity
  - **Option 1.2:** Prior to the registration of each activity unless the host Party issues a revised statement [at the renewal of the crediting period]
- **Option 2 {at issuance}**
  - **Option 2.1:** After the registration of the activity and prior to each A6.4ERs issuance
  - **Option 2.2:** After the registration of the activity and prior to the first issuance A6.4ERs issuance (Unless the host Party issues a revised statement (at the renewal of the crediting period of the activity))
- **Option 3 {at any time}**
  - **Option 3.1:** Authorization can be provided and revised at any time but shall apply only to A6.4ERs issued after the revision
  - **Option 3.2:** Authorization can be provided and revised at any time but may include an applicable period also for already-issued A6.4ERs (retroactive application)

# Article 6.4: Role of mechanism registry administrator in transaction procedures

## Issue: Role of mechanism registry administrator in case of transaction procedures

- **Option 1** : the mechanism registry administrator shall **forward/transfer** the **remaining** A6.4ERs (if an authorization statement is provided by Host party)
- **Option 2:** definition of forwarding
  - **Option 2.1** → Forwarding = transfer to holding accounts associated with the host Party
  - **Option 2.2** → Forwarding = any transaction that is not issuance, cancellation or retirement
  - **Option 2.3** → Forwarding = transfer of non-authorized A6.4ERs to holding accounts

(Option 1 can be combined with any of options 2.1 and 2.3; Options 2.1 and 2.3 are mutually exclusive).

- Seeking clarification on forwarding and transferring being interchangeable terms?

## Article 6.4: Interoperability of mechanism and other registries

### Issue: Interoperability of registries in case of change in authorization status

- Can the change in the authorization status by the mechanism registry prompt the change in the information of status in other connected registries?
- **Avoiding the burden on countries & mechanism administrator to input the same information twice and minimizing human error.**
- → Such an option is needed only if CMA decides that host Parties should revise the statement of authorization on the use of A6.4ERs that have been already issued (**Option 3.2 of [III] Reporting**).

# Article 6.4: Share of proceeds for adaptation

## Issue: Share of proceeds for adaptation

- Adaptation fund board and its support system shall develop and implement a strategy on monetization of received A6.4 ERs and inform them annually to CMA.
- Adaptation fund board shall monetise the received A6.4 ERs in accordance with the guidance for monetisation to be developed by CMA and report them annually.

# [VI.A] Mandatory cancellations for OMGE

Issue: Shall mandatory cancellation also be applied to non-authorized A6.4ERs?

Issue: Shall mandatory cancellations also apply to CERs at the time of their transfer to the mechanism registry?

Issue:

- Option 1: With regard to non-authorized A6.4ERs already cancelled for OMGE in accordance with paragraph 59 of the RMP from an activity in relation to which authorization for use is issued after the mandatory cancellation, the mechanism registry administrator shall provide **the details and the status of such cancelled A6.4ERs to the host Party, including through prefilling relevant reporting tables. The host Party is encouraged to apply the corresponding adjustment** for such A6.4ERs.
- Option 2: With regard to non-authorized A6.4ERs cancelled for OMGE in accordance with paragraph 59 of the RMP from an activity in relation to which authorization for use is issued after the mandatory cancellation, the mechanism registry administrator shall **update the status of the cancelled non-authorized A6.4ERs as authorized towards NDC use permanently. The mechanism registry administrator shall notify the details and the updated authorization status of such cancelled A6.4ERs to the host Party, including through prefilling relevant reporting tables.**
- Option 3: No further text