# Article 6 of the Paris Agreement

# Tracking

UNFCCC secretariat, 2023

- The meaning and purpose of tracking

- Evolution of the guidance and the RMPs in relation to tracking

- Further work on tracking

# What does 'tracking' in Article 6 mean?

Tracking *(para 29)* refers to:

- **The recording of information** on:
  - <u>Authorization</u>
  - <u>First transfer</u>
  - Transfer
  - Acquisition
  - Use towards NDCs
  - Authorization for use towards OIMP
  - Voluntary cancellation (including for OMGE, if applicable)

But also:

- Cancellation *(para 20, para 32(g), annex, 7/CMA.4)*
- Retirement *(para 32(f), annex, 7/CMA.4)*
- Holdings *(para 20)*

> Tracking arrangements are based on **software** and registries <u>could be</u> **interoperable**

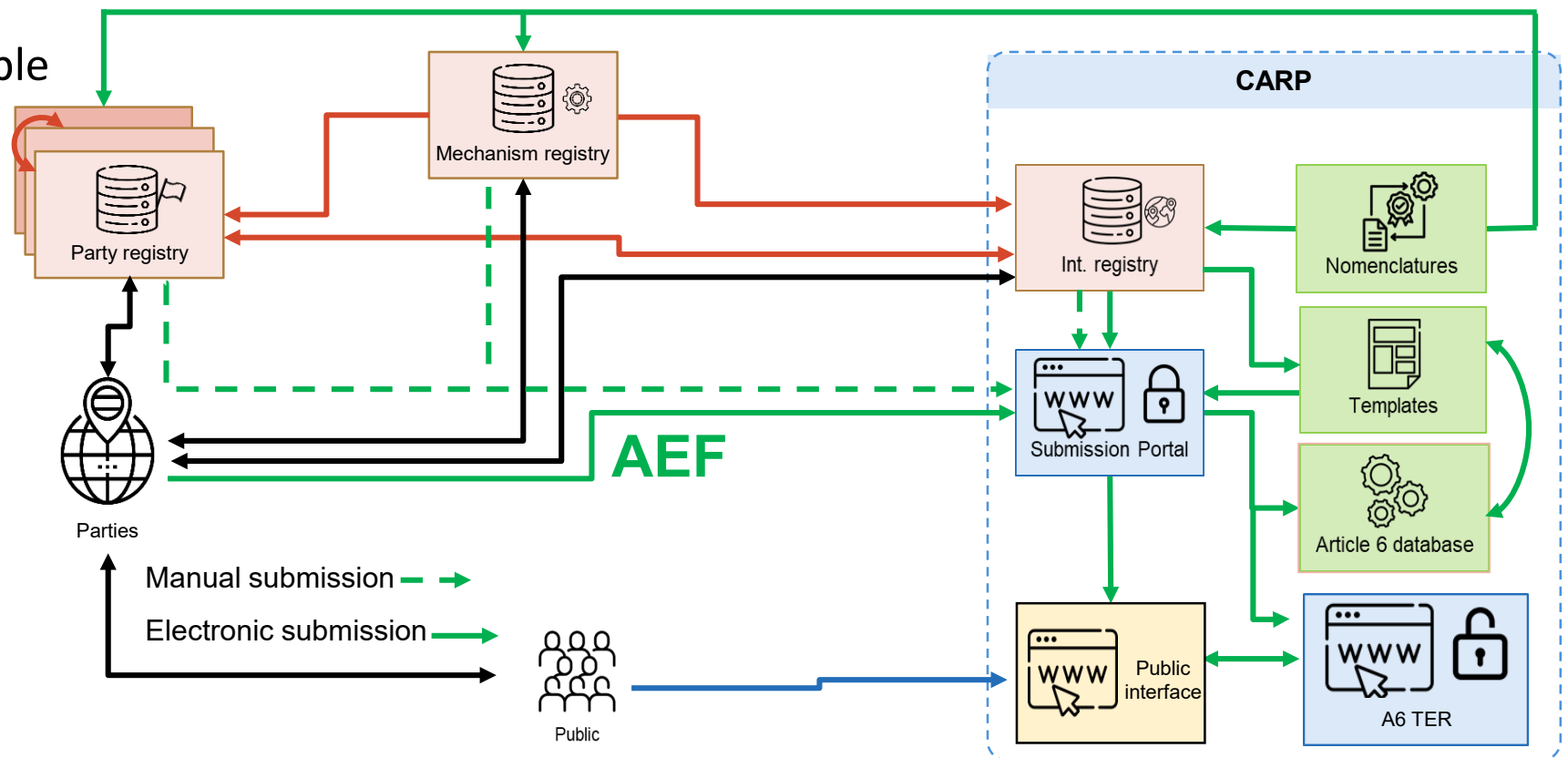- **In a registry**, a Party has <u>or</u> has access to *(para 29)*, that:
  - Has accounts as necessary, and records the information on ITMOs:
    - Through unique identifiers, as applicable *(para 29 and para 5, an. I, 6/CMA.4)*
    - Consistently with the annual information submitted in the AEF *(para 1(e), an. I, 6/CMA.4)*
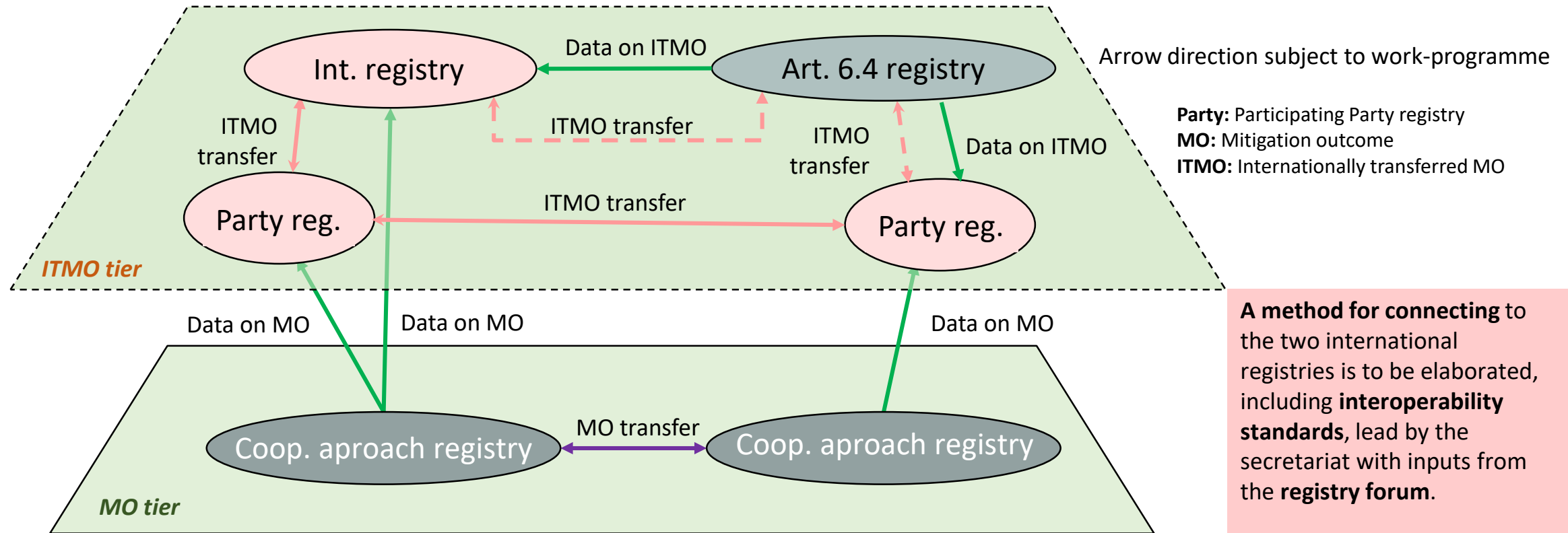
# What is the purpose of tracking ITMOs through registries?

- Achieving data integrity in tracking and recording ITMOs

- Enabling reporting consistent with the agreed electronic format (AEF)

- Providing access to the Party and/or other entities for which access is authorized by the Party in order to:
  - Keep record of their ITMOs
  - Fulfil trades, as applicable

# Registries two-tier architecture



Arrow direction subject to work-programme

**Party:** Participating Party registry
**MO:** Mitigation outcome
**ITMO:** Internationally transferred MO

Int. registry

Data on ITMO

Art. 6.4 registry

ITMO transfer

ITMO transfer

ITMO transfer

Data on ITMO

Party reg.

ITMO transfer

Party reg.

**ITMO tier**

Data on MO

Data on MO

Data on MO

Coop. aproach registry

MO transfer

Coop. aproach registry

**MO tier**

**A method for connecting** to the two international registries is to be elaborated, including **interoperability standards**, lead by the secretariat with inputs from the **registry forum**.

The two international registries are envisaged to implement a data communication protocol and a reconciliation mechanism akin to a transaction log service to support linking.

Underlying MOs are linked to ITMOs in a permanent one-to one relationship.

Data consistency requirements dictate that an MO/ITMO can be transferred at one level (tier) but not at both levels!

# Work-programme on tracking

| Elements | Work-programme | Mandates to the secretariat |
|---|---|---|
| Article 6.2 International registry | • Business model – accounts and additional functionalities and procedures for:<br>    • Transfer of A64ERs<br>    • Services for cooperative approaches if voluntarily requested by Parties<br>    • The role of the int. reg. administrator<br>    • The submission of information by Parties as the basis for tracking ITMOs | • Publish requirements for comments<br>• Software development, including an interim solutions<br>• Process and procedures |
| Article 6.4 Mechanism registry | • Connection to the international registry<br>• Connection to other registries as per para 29 | • Business model<br>• Process and procedures<br>• Software development |
| Registries and interoperability | | • Standards and recommended practices for electronic recording of ITMO data and communication standards for interoperability<br>• A6 registry forum + an online platform |