# Registries for international transfers under Article 6.2

A6IP

12 May 2023



# Article 6 initial report processes (Paragraph 18 in Annex of Decision 2/CMA 3)

National Article 6 Policy Framework (paragraph 18a-f)

Before entering into cooperative approaches with any countries, countries should submit an initial report to describe:

- its participation responsibilities (paragraph 18a)
- NDC (paragraph 18b)
- Its method for ITMO quantification and metric, and corresponding adjustment (paragraph 18c)

Alignment with the policy framework of the country

### Authorisation of mitigation activities (paragraph 18g-I, 22)

After authorising an mitigation activity, countries should update its initial report to describe the mitigation activity authorised under a cooperative approach (i.e. Implementation Agreement) with the following details included:

- Description and duration of the mitigation activities
- Expected mitigation outcomes
- Environmental integrity assurance
- Authorized entities
- Any other additional description

Every time when authorising a mitigation activity under an Implementation Agreement

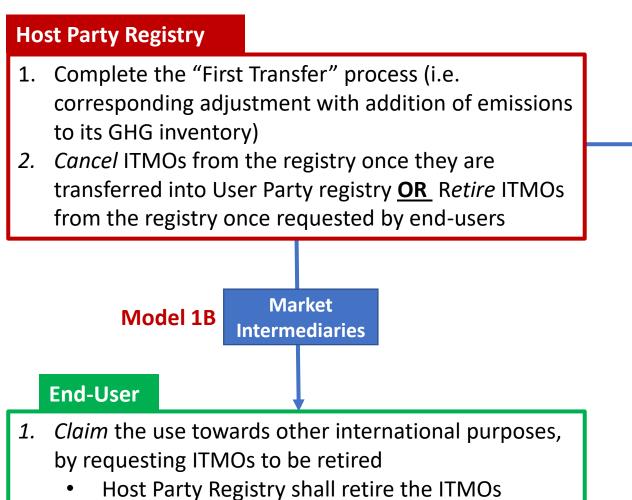
### Issuance of the Joint Statement of Authorisation

This is after the receipt of the initial report by the UNFCCC Secretariat

### Model 1 is streamlined and is lower risk, but may not be applicable as most do have a national programme

**Model 1A** 

Market Intermediaries



- **User Party Registry**
- Accept transfer from Host Party
  Registry by listing the ITMOs.
  Concurrently, Host Party Registry
  shall cancel the ITMOs
- 2. Retire ITMOs from the registry for use towards NDC achievement

- This model minimises the registries involved
  - At most, only host Party registry and user
     Party registry are involved
- Therefore, the risk of double counting and costs of coordinating across multiple registries are lower.

Model 2 leverages existing mechanisms and infrastructure of voluntary programmes, which minimise costs and maximise access (e.g. by reducing barriers for participating Parties)

#### **Programme Registry**

 Issue MOs (i.e. carbon credits), with a label indicating corresponding adjustment pre-authorised if host Party already provided Letter of Authorisation beforehand

Project developer to request host Party to authorise and effect "First Transfer" process

**Market** 

**Intermediaries** 

**Model 2A** 

#### **Host Party Registry**

- 1. Upon verification, complete the "First Transfer" process (i.e. corresponding adjustment with addition of emissions to host's GHG inventory)
- List and cancel ITMOs from the registry

**Programme Registry** 

 Update the MOs to ITMOs, and indicate them as correspondingly adjusted

Note 1: Subsequent transactions will take place in the Programme Registry, while keeping host Party informed of the movement of ITMOs Note 2: Host Party Registry refers to national registry or international registry

**Programme Registry** 

#### **User Party Registry**

- Accept transfer from Programme Registry by listing the ITMOs
- 2. Retire ITMOs from the registry for use towards NDC achievement
- 3. Inform Host Party
  Registry of the
  transfer and the use

#### **Programme Registry**

- Cancel ITMOs
   once they are
   transferred into
   another registry
- 2. Inform Host Party Registry of the transfer

Market Intermediaries

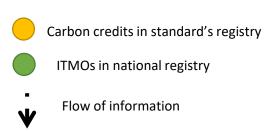
**Model 2B** 

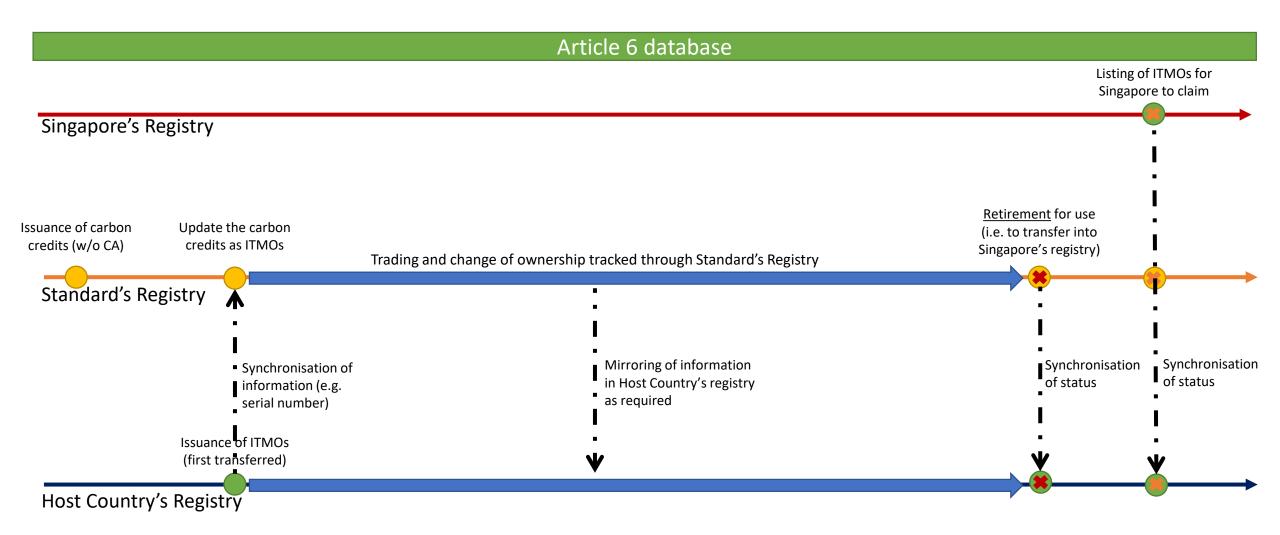
#### **End-User**

 Claim the use towards other international purposes, by requesting ITMOs to be retired

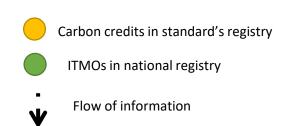
- 1. Retire ITMOs upon request
- 2. Inform Host Party Registry of the use

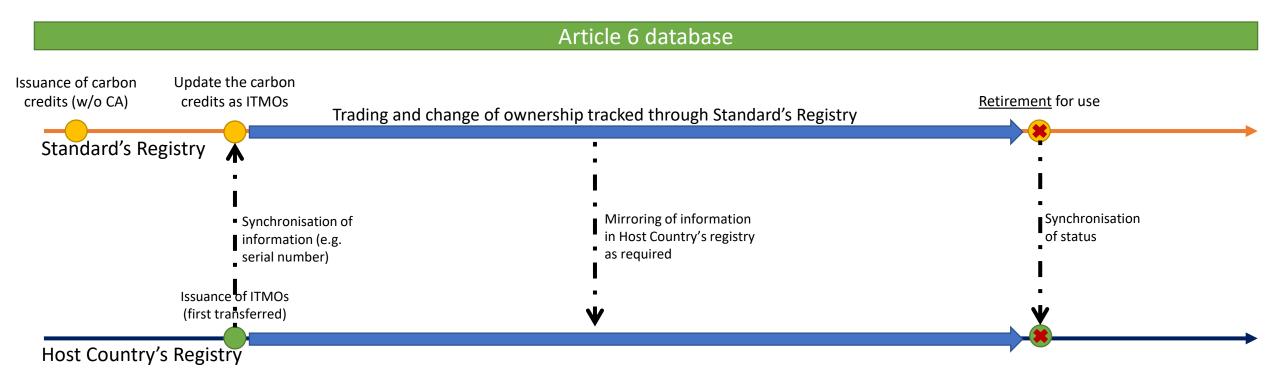
### Registry arrangement and workflow – model 2 (Use towards NDC)





## Registry arrangement and workflow (Use towards other uses)





### Registry arrangement alignment

 To reduce transaction cost and maximise participation, there is a need for standardised communication protocol across registries to ensure consistency

Climate Action Data (CAD) Trust has the potential to provide this function, since it
is already a metadata layer that collects data from registries