



SEMARNAT

SECRETARÍA DE MEDIO AMBIENTE
Y RECURSOS NATURALES

**ACCOUNTING AND
ACCOUNTABILITY:
COOPERATIVE APPROACHES**

Latin American Carbon Forum

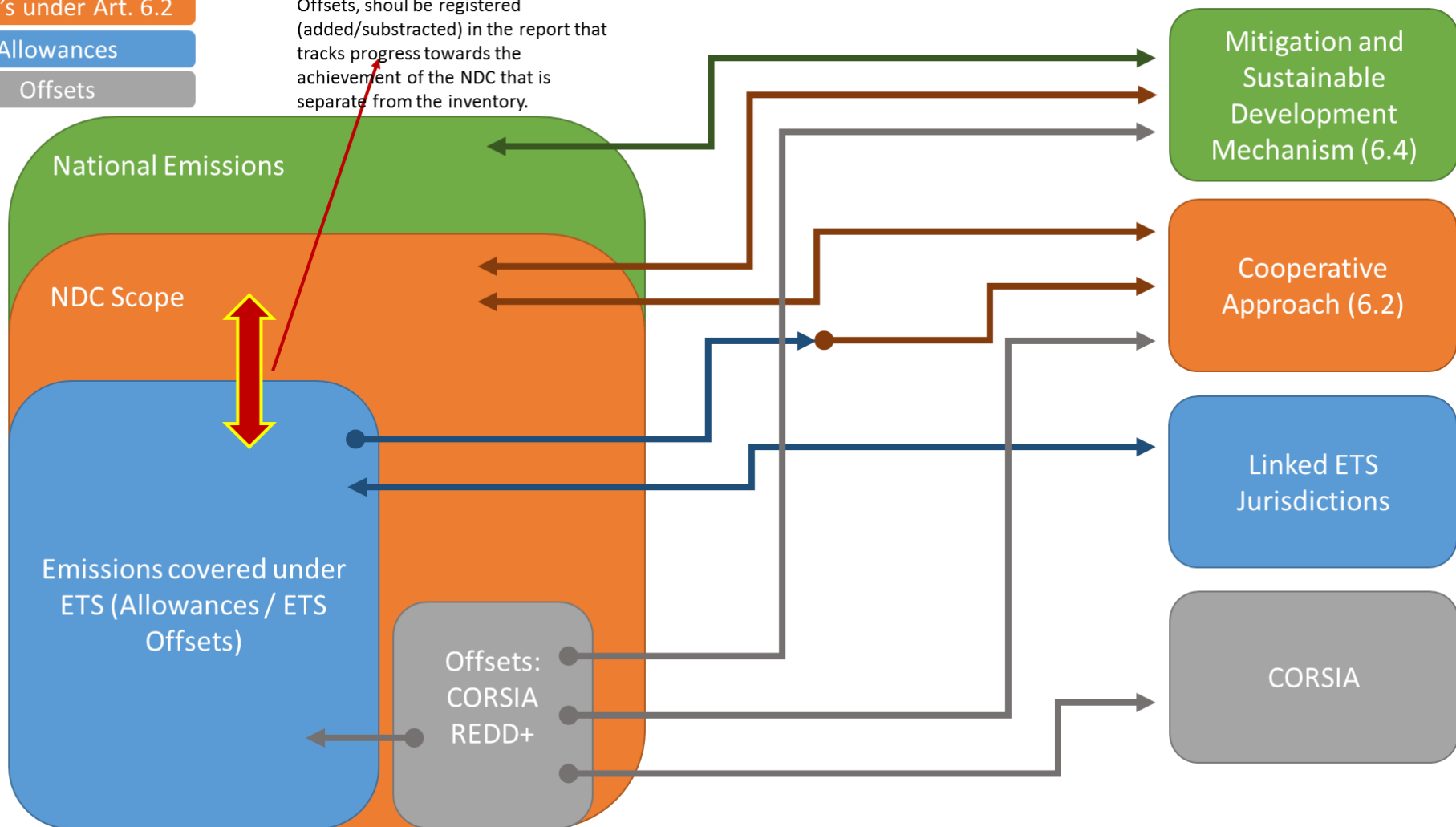
Workshop 15, 2017

Metric	ITMOs, Offsets, Allowances have one common unit (tCO ₂ e)
Accounting Unit	The same number of units that are added in one country need to be deducted in another country
Relation of ITMOs to the scope of the NDC of the transferring country	ITMO transfers could either be limited to within the transferring country's NDC or also include transfers beyond NDCs.
Use of ITMOs by the acquiring country	NDC Implementation, Voluntary Cancellation
Mechanisms type	Low-tech: Accounting formats and reports for government to government could be enough High-tech: For non-government stakeholders, registries are needed
Relationship between Article 6.2 and 6.4	EIG proposes same unit (ITMOs)
Governance	Article 6.4 mentions supervision by a body under the guidance of the COP/CMA

- Scenario 1:
 - A Party (Mexico) does not have an ETS, but generates offsets to sell to jurisdictions with ETS, CORSIA, etc.
- Scenario 2:
 - A Party (Mexico) has a ETS linked with other jurisdictions (federal/state level)
 - The Party generates offsets to comply with other obligations (CORSIA)
- Scenario 3
 - Same as 2, plus CDM

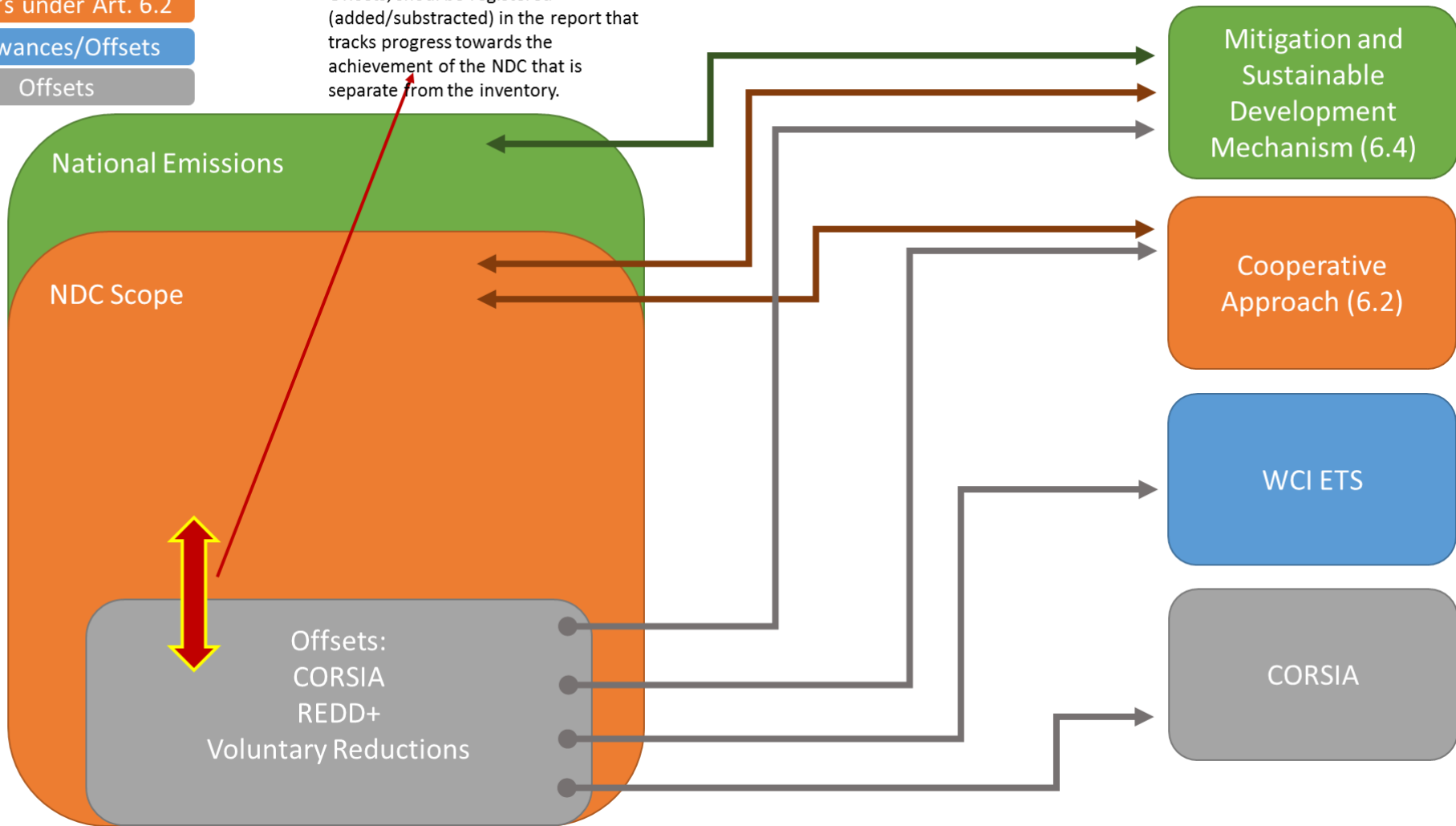
- ITMO's under Art. 6.4
- ITMO's under Art. 6.2
- Allowances
- Offsets

Every transaction from the ETS and/or Offsets, should be registered (added/subtracted) in the report that tracks progress towards the achievement of the NDC that is separate from the inventory.



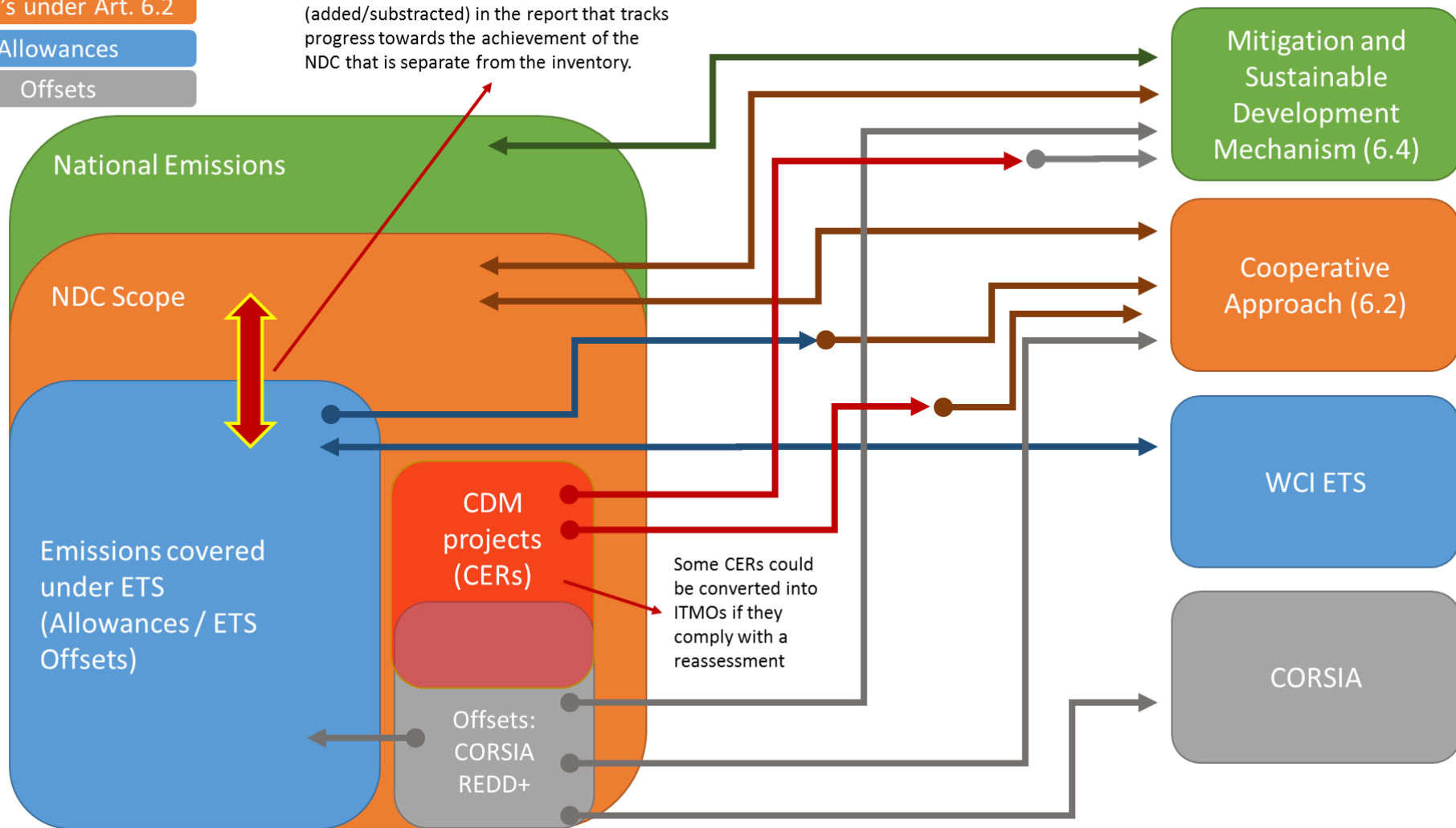
- ITMO's under Art. 6.4
- ITMO's under Art. 6.2
- Allowances/Offsets
- Offsets

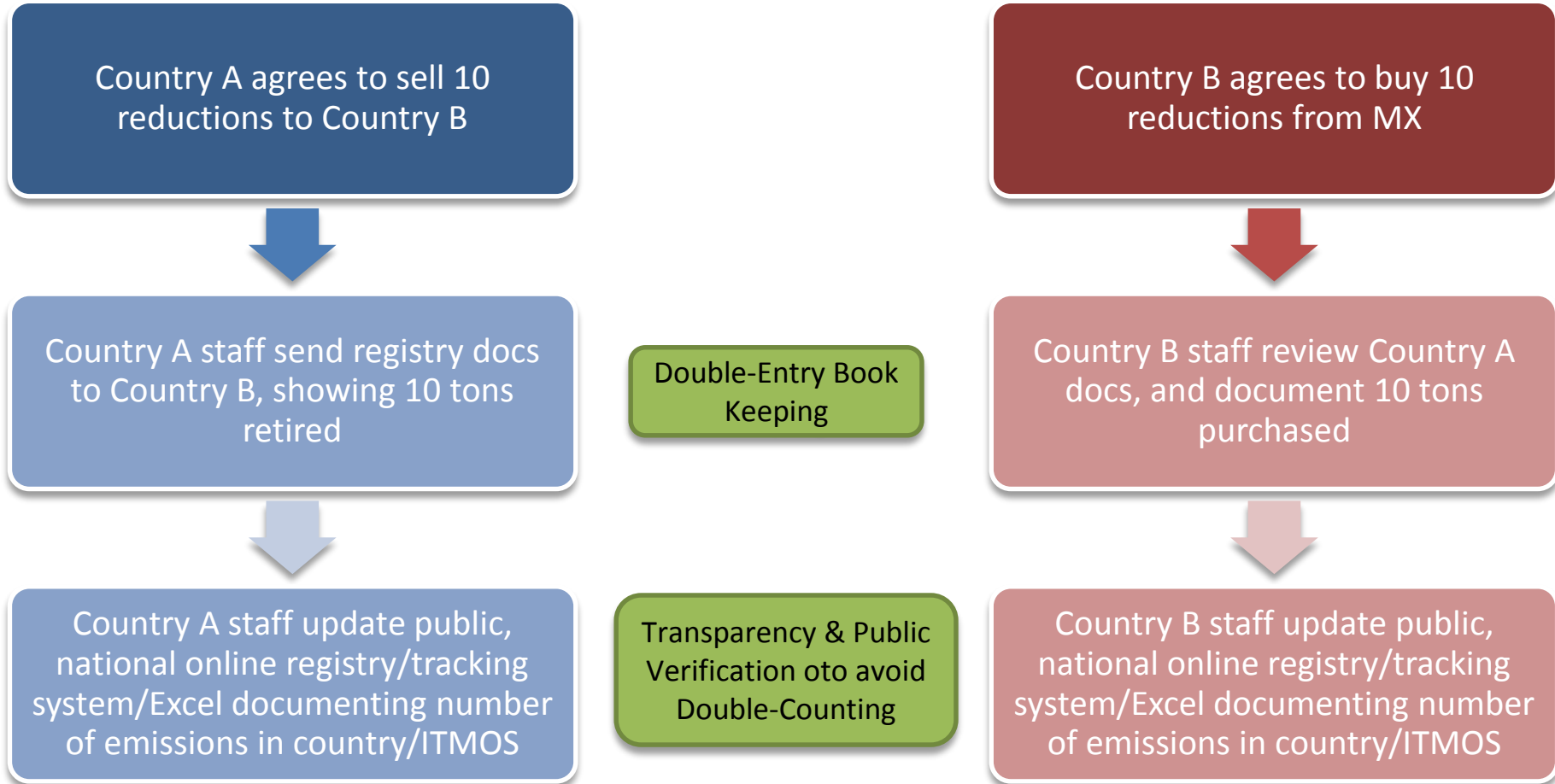
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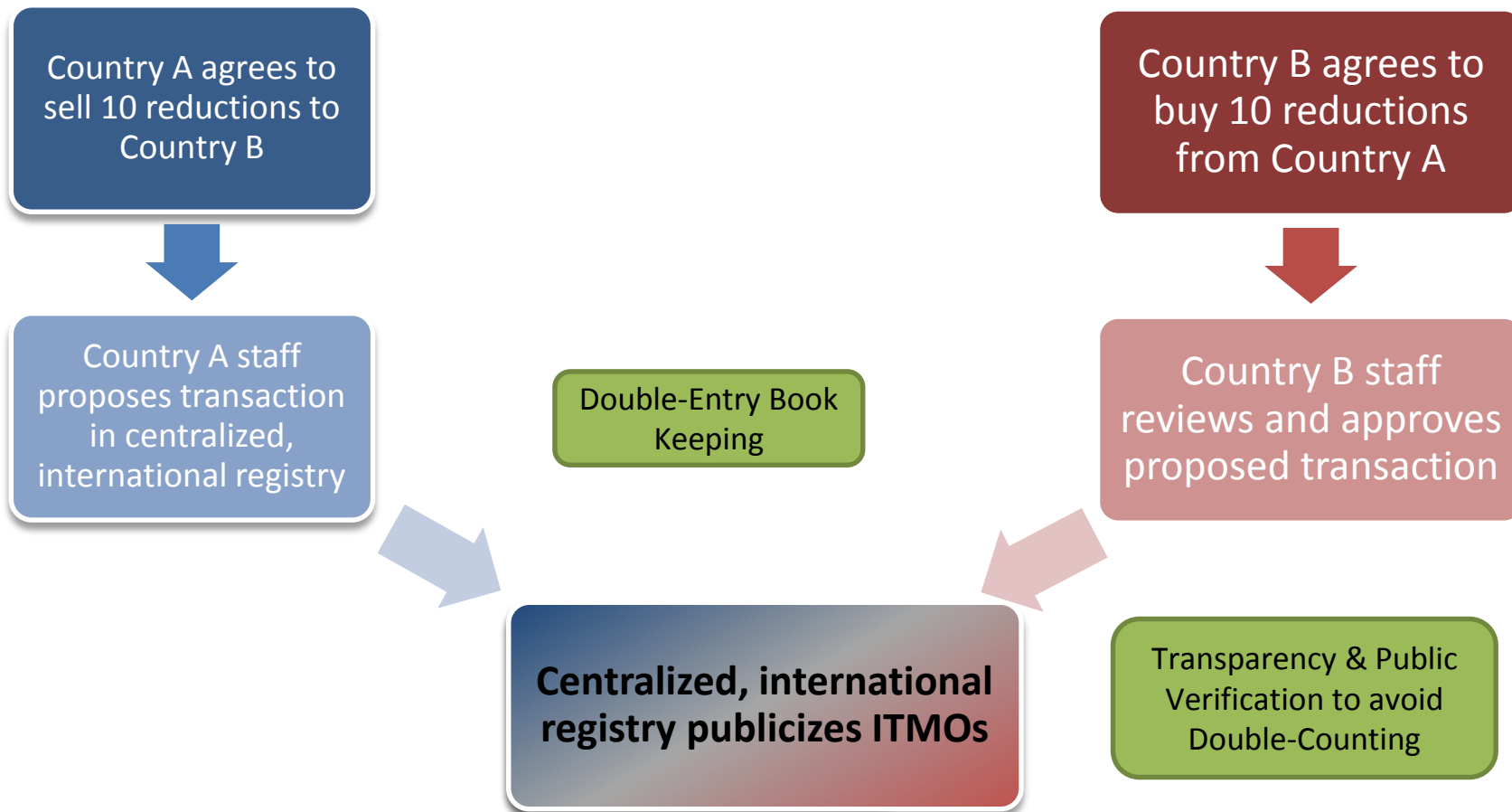
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AVOIDING DOUBLE-COUNTING: HIGH-TECH EXAMPLE



Topic	Requirements
<p>Registries for Art. 6.4 and/or 6.2</p>	<p>Fulfill some standards: format of the serial numbers, reconciliation procedures, security checks, linked with a transaction log</p>
<p>Parties with an ETS</p>	<p>Should specify the possibility for allowances or offsets from the ETS to be cancelled in their registry and created in the ITMO registry(ies).</p>
<p>Parties with no ETS but generator of offsets</p>	<p>Secure transparency and avoid double transfer of units</p>

- Reassessment of CDM projects for additionality, cancel CERs which cannot pass additionality test
- High-quality CERs could be used as part of Articles 6.2 or 6.4, CORSIA, etc.
- Revision of baselines and accounting rules
- New mechanism could be sector-based, project-based, mix of both (nested projects)
- Could avoid centralized body like CDM Executive Board, in favor of a framework to allow for more creative projects and implementations, faster processing of projects and implementations, decentralized decision-making



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THANK YOU

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