United Nations Framework Convention on Climate Change

**Article 6, paragraph 2 of the Paris Agreement**

# International Registry

Functional approach and key challenges

SB58, 6 June 2023

*UNFCCC Secretariat*

Mitigation Division

CMA 3 mandated the **international registry**:

- © For Parties that **do not have or do not have access to** a registry.

- © **Any Party** can request access to the International registry

- © The International Registry shall be able to track what **national registries** (as per para 29) can track:

  - © Unique identifiers

  - © Authorization (para 1.(d),(g); 2 (b); 4 (c))

  - © First transfer (para 2)

  - © Transfer and acquisition

  - © Use towards NDC or OIMP

  - © Voluntary cancellation

  - © Accounts as necessary

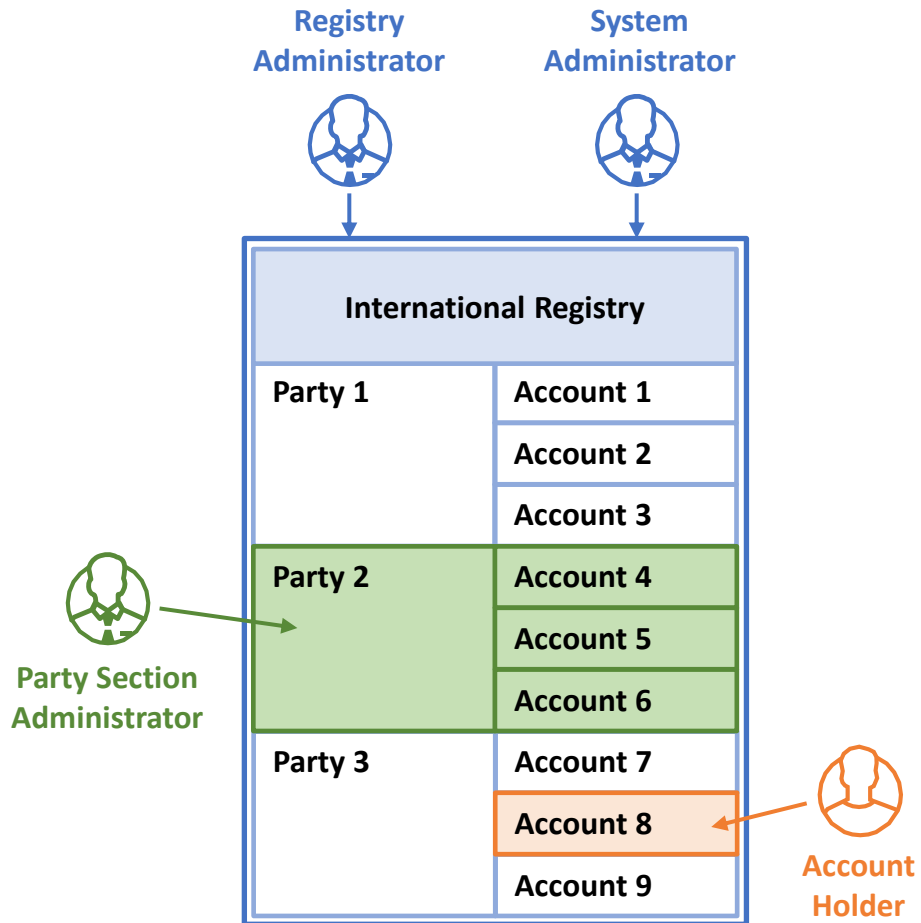- © To be (a conceptual) **part of the CARP**

© CMA 4 further clarified the mandate for the international registry:

   © An **electronic database**

   © A consolidated system with **Party-specific sections**

   © **Isolated** Party sections but the registry shall be **internally consistent**

   © Tracks data consistently with the **AEF** (para 20)

   © The secretariat is the overall registry **administrator**

   © **Reporting** to administrators of Party sections

   © **Publication** of non-confidential information through the CARP

   © **Interoperability** ("connection") with the **Mechanism Registry**

   © Interoperability with willing **Party registries**

   © Other applicable clarifications for all registries: **consistency, unique identification** of ITMOs, **non-repudiation**

# Party sections and administrators



Registry Administrator

System Administrator

**International Registry**

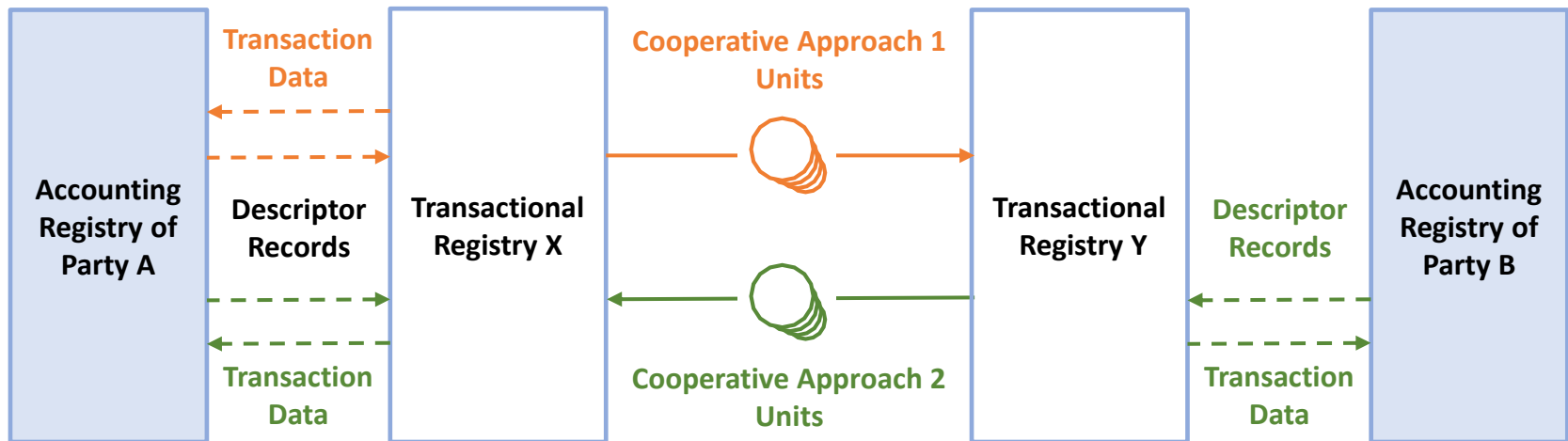| Party 1 | Account 1 |
|---------|-----------|
|         | Account 2 |
|         | Account 3 |
| Party 2 | Account 4 |
|         | Account 5 |
|         | Account 6 |
| Party 3 | Account 7 |
|         | Account 8 |
|         | Account 9 |

Party Section Administrator

Account Holder

- **System administrators:** technical aspects of registry functionality and appointment of registry administrators

- **Registry administrators:** administration of UN-level accounts and lifecycle of Party sections

- **Party section administrators:** administration of their Party section

- **Account holders:** administration of their account(s)

# Basics of ITMO accounting

© **ITMO = MO + authorization**

© An ITMO is always from exactly **one cooperative approach**

© All data objects comprising an ITMO are **immutable** once created

© ITMOs **move** between accounts

© A **two-tier system** where MOs may be transferred in an **underlying registry** and ITMOs tracked in a **higher-tier** registry. <u>The international registry can do both.</u>

© Authorizations are created and **propagated** within the cooperative approach

© **Business rules** control which operations can go ahead and what to do when certain operations are requested, e.g.

© Can't transfer an ITMO out of a cancellation account

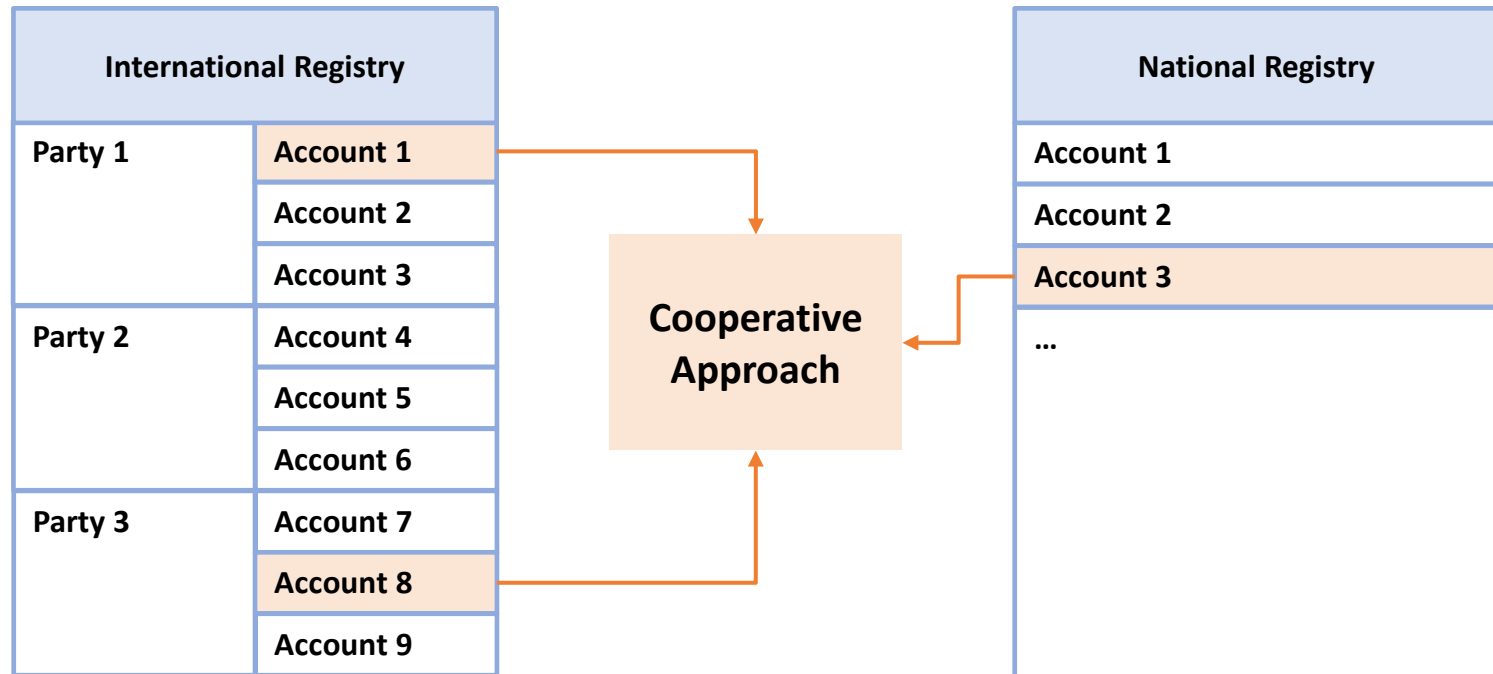© If an ITMO authorized for use for NDC and the first international transfer occurs, record the first transfer

# Transactional (underlying) vs. Accounting (higher-tier) registries



| Accounting Registry of Party A | Descriptor Records | Transactional Registry X | Cooperative Approach 1 Units / Cooperative Approach 2 Units | Transactional Registry Y | Descriptor Records | Accounting Registry of Party B |

(Transaction Data ↔ between Accounting Registry of Party A and Transactional Registry X; Transaction Data ↔ between Transactional Registry Y and Accounting Registry of Party B)

- Ⓒ The international registry is **both transactional and accounting**

- Ⓒ A Party may only have **one accounting registry** (2/CMA.3 annex I para 29)

- Ⓒ A Party may use the international registry for **only any one or both purposes**

- Ⓒ "**Descriptor records**" = authorizations and first transfer markers

- Ⓒ **Immutability** is important for robust accounting: wrong issuances corrected by cancellations, wrong transfers by reverse transfers, wrong descriptor records by new descriptor records
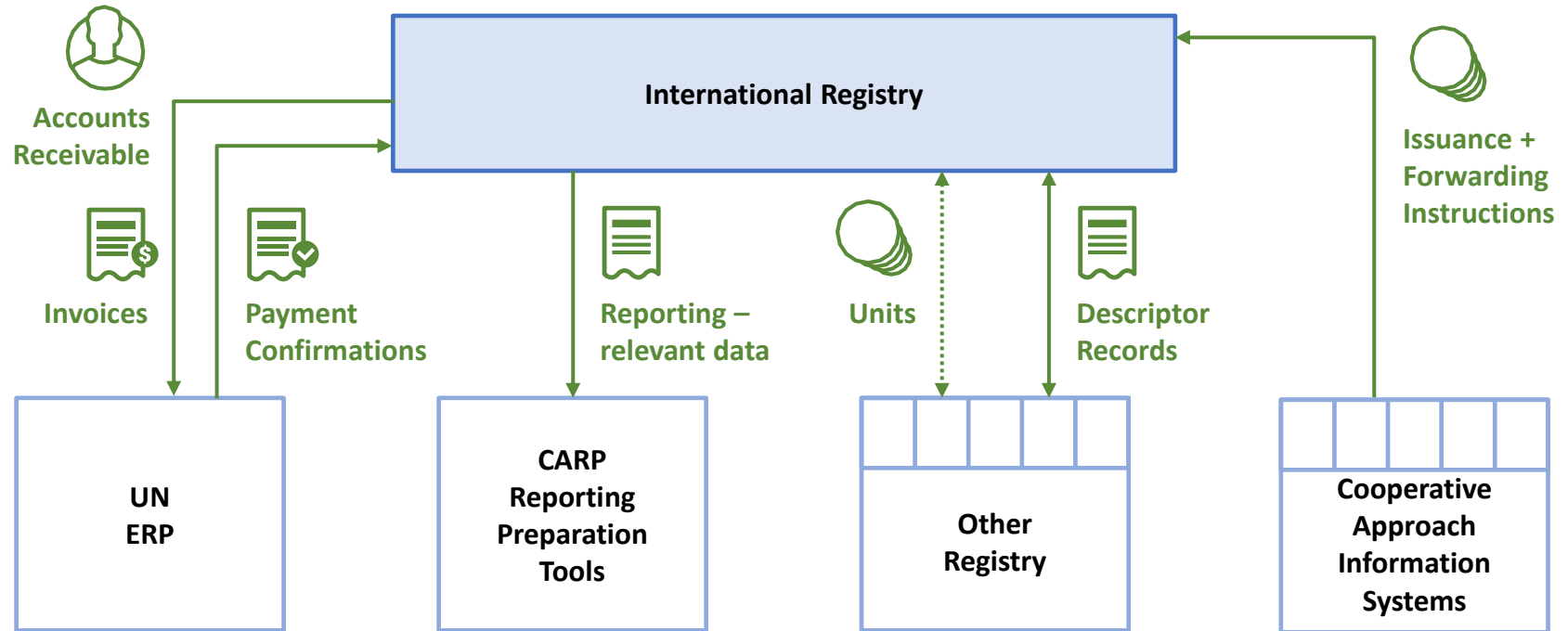
# Cooperative Approaches and maximizing coverage of use cases

| International Registry | |
|---|---|
| Party 1 | **Account 1** |
| | Account 2 |
| | Account 3 |
| Party 2 | Account 4 |
| | Account 5 |
| | Account 6 |
| Party 3 | Account 7 |
| | **Account 8** |
| | Account 9 |

**Cooperative Approach**

| National Registry |
|---|
| Account 1 |
| Account 2 |
| **Account 3** |
| … |

Ⓒ **For transaction processing** under a cooperative approach, a Party may use the international registry, the national (transactional) registry or a third-party cooperative approach registry, as long as they implement the international registry's interoperability arrangements

Ⓒ **For accounting of ITMOs** only the national registry or a section in the international registry may be used
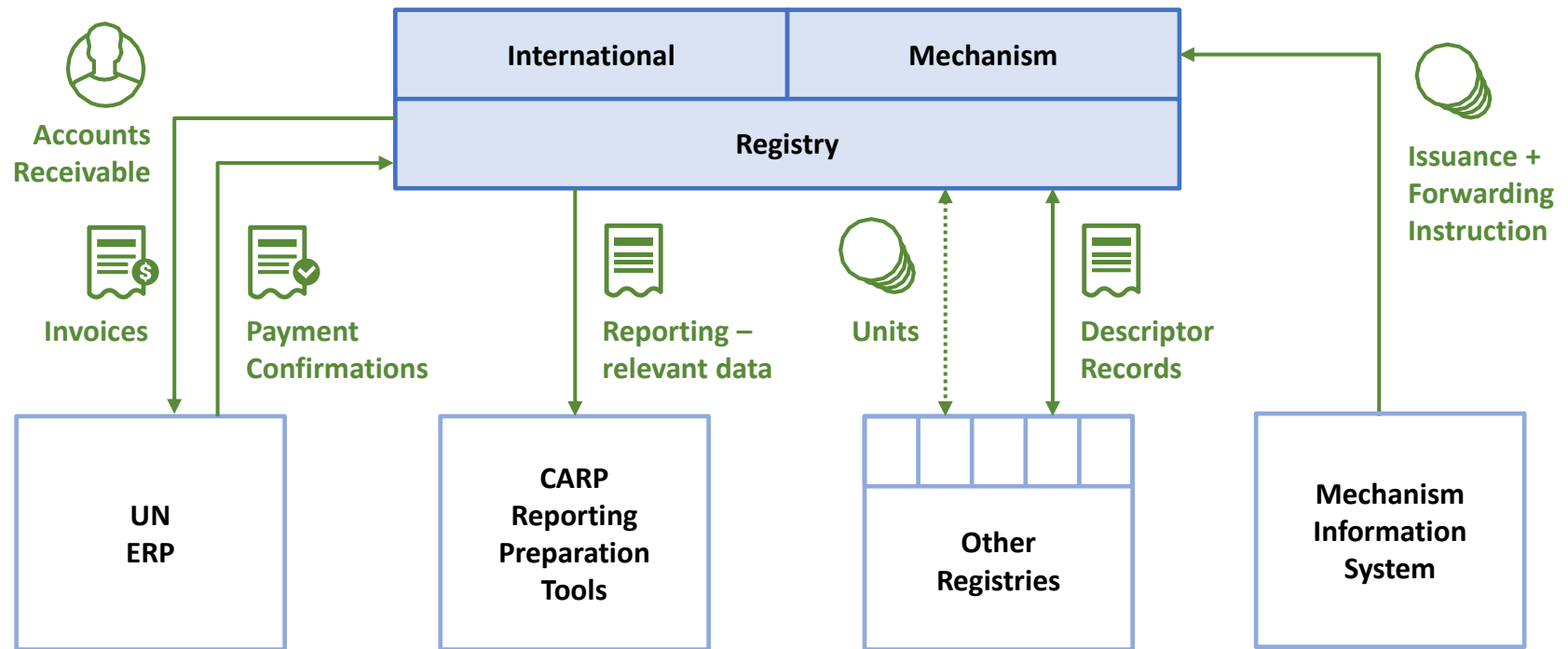
# Connections and interoperability



- © **APIs** to connect with **UN ERP**, **CARP** and possible cooperative approach information systems*

- © Other registries* for **descriptor records propagation**

- © Other registries* for **transaction processing** – once transaction interoperability arrangements are finalized at a later stage

* as long as they implement the APIs and fulfil security requirements

# Prompt start of the Mechanism Registry



- © **Co-hosting** the international registry and the mechanism registry within **one internally consistent IT system** allows the connection required by 3/CMA.3 annex, para 63, with lower risk and without delay

- © The **mechanism information system** could then use the standard APIs of the international registry to request issuance/forwarding of the A6.4ERs

# Read more about the International Registry



© **https://unfccc.int/documents/628728**