

**Like-Minded Developing Countries' Responses to
Guiding Questions for Cooperative Approaches, SBSTA item 11 (a)**

- **How can we ensure that the guidance in relation to environmental integrity is sufficient?**
 - *You may wish to address how guidance can ensure that use of ITMOs does not lead to an overall increase in emissions.*

Response:

Avoiding an overall increase in emissions is addressed by the global stocktake (Article 14) as it considers overall NDCs where ITMOs may offer a voluntary contribution. Of course, decreasing emissions will require their peaking first, which “will take longer for developing country Parties” (Article 4.1). Accordingly, ITMOs should also entertain emission avoidance objectives.

As for environmental integrity, a distinction should be made between its application under Article 4.13, where it applies to NDCs and their mitigation outcomes, and Article 6.2, where it should apply to the transfer of these outcomes. This distinction will ensure that these provisions are not duplicated and that the transfer aspect of Article 6.2 activities are duly considered in the context of Article 6's primary objective: NDC implementation.

The avoidance of increase of emissions will be primarily addresses through provision ensuring emission reductions are real and verifiable. Also, there needs to be some guidance, in the form of a ceiling, on the value for use towards the NDC that an ITMO can have in any jurisdiction, outside the one where it was created.

- *You may wish to address the reach of guidance into the ITMO life-cycle; the time and method of reporting on transfer/use of ITMOs; and potential infrastructure/system requirements.*

Response:

A primary objective of ITMOs is implementing NDCs. As such, the guidance should incorporate measures and safeguards to prioritize NDC implementation while limiting other distractions across the ITMO life-cycle, such as speculative inclinations which may lead to volatilities and harmful spillovers.

The guidance in Art 6.2 should focus on the transfer, not reach into the creation of ITMOs. That is covered in other parts of the PA, Art 4. ITMO transfers should be reported in the year of transfer, at the time of transfer, and when the corresponding adjustment takes place. Otherwise we create uncertainty and speculative trends.

- **Which accounting approaches are the most suitable, and why?**

- *You may wish to address approaches to corresponding adjustment including the emissions-based approach, the target-based approach, other approaches and whether more than one approach should be included in the guidance.*

Response:

The accounting approach should be facilitative and non-restrictive accommodating all NDC types and cooperative opportunities. A target-based, budget-based or similar approach would be unsuitable as it may prejudice national prerogatives associated with NDCs.

- *You may wish to address how a specific accounting system for ITMOs could compliment established reporting requirements such as those in Article 13, paragraph 7 of the Paris Agreement.*

Response:

To complement Article 13, the accounting system (under Article 6) should:

- Accommodate all mitigation outcomes compatible with Articles 13 and 4.
- Avoid duplicating the accounting or other provisions under Article 13 or other Articles.
- Focus on the transfer aspect of the activities in question as it is unique to Article 6 and not addressed elsewhere.
- Accounting should focus on, and keep track off, the transfers between Parties. It should collect data about the ITMOs, quantified in the metric of the NDC, of what is transferred in and out.

- **How is mitigation outside the scope of the NDC covered by the guidance?**

- *You may wish to address single-year/point target NDCs; ITMOs from sectors or gases not included in the originating Party's NDC.*

Response:

The guidance should not influence or require changes to NDCs including their targets, if any, as this should be nationally decided.

As for ITMOs outside of the originating Party's NDC, they should be included as long as they compatible with the acquiring Party's NDC. Including these ITMOs should broaden mitigation and sustainable development opportunities.

- *You may wish to address how a corresponding adjustment is implemented for such mitigation.*

Response:

Corresponding adjustments would not be relevant in this case since the subject mitigation would only be claimed the acquiring Party towards its NDC thus eliminating the risk of double counting.