

# ITMO - Northmore Gordon

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### # ITMO

ITMO stands for Internationally Transferred Mitigation Outcomes. ITMOs represent tradable units of emissions reductions or removals that countries can transfer between each other under international climate agreements. They function as instruments for achieving climate commitments and enable financial mechanisms where countries with surplus reduction capacity can support mitigation efforts elsewhere. Understanding ITMOs is relevant for organisations involved in international carbon projects or those considering how their emissions reductions might contribute to broader climate frameworks beyond domestic schemes.

### ## Related guidance

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### ### What does ITMO stand for and what is its significance in carbon markets?

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### ### How do ITMOs differ from domestic environmental certificates like ACCUs and VEECs?

ITMOs operate at the international level between countries under climate agreements, whereas ACCUs (Australian Carbon Credit Units), VEECs (Victorian Energy Efficiency Certificates), and ESCs (Energy Savings Certificates) are domestic instruments created under Australian government schemes. Domestic certificates are created from eligible activities within a single country's regulatory framework and traded within that jurisdiction. ITMOs represent a higher-level mechanism for international cooperation on emissions reduction, making them distinct from country-specific certificate types that we typically work with in our core advisory practice.

### ### Should an organisation pursuing energy efficiency projects consider ITMOs as part of their funding strategy?

For most Australian organisations undertaking energy efficiency improvements, domestic certificates (ESCs, VEECs, ACCUs) are the primary funding mechanisms rather than ITMOs. ITMOs are more relevant for large-scale national or sectoral emissions reduction programmes that might be transferred between countries under international climate commitments. Our primary focus is assessing eligibility under schemes like the NSW Energy Savings Scheme and Victorian Energy Upgrades. If an organisation's project involves international components or cross-border emissions accounting, discussing ITMO applicability would require specialist international climate policy guidance beyond typical energy efficiency assessment.

### What is the relationship between ITMOs and the Renewable Energy Target or other Australian renewable schemes?

ITMOs and Australian renewable schemes (Renewable Energy Target, STCs, LGCs, REGOs) serve different purposes. Australian renewable schemes create certificates from domestic renewable energy generation and energy savings activities. ITMOs represent international transfers of emissions outcomes under global climate frameworks. While both involve tradable units and emissions reduction, they operate in separate markets with different governance bodies, eligibility criteria and purposes. An Australian renewable project would generate domestic certificates, not ITMOs, unless specifically structured as part of an international climate commitment arrangement.

### What role might Northmore Gordon play if an organisation needs to understand ITMOs in relation to its carbon strategy?

Our core advisory services focus on domestic energy efficiency assessment, carbon inventories and environmental certificates under Australian schemes. For organisations with international operations or those contributing to multinational emissions reduction initiatives, we can help establish the domestic baseline and identify eligible domestic projects that might contribute to climate commitments. However, detailed ITMO structuring, international climate policy compliance and cross-border transfer mechanisms would require specialist international climate finance expertise beyond the domestic services described here.

### How would understanding ITMOs affect an organisation's choice between domestic certificates and other funding pathways?

For most Australian businesses, the choice between funding pathways centres on domestic schemes: ESCs under the NSW Energy Savings Scheme, VEECs under Victorian Energy Upgrades, ACCUs under the Emissions Reduction Fund, or renewable certificates (STCs, LGCs, REGOs). ITMOs are not typically a direct funding alternative for individual energy projects. However, if an organisation operates internationally or its parent company has committed to global emissions reduction targets, understanding how domestic projects contribute to international accountability could inform strategic investment decisions. We recommend clarifying the funding purpose and applicable regulatory framework before selecting certificate pathways. Where a scheme rule sets a specific definition for this term, that definition takes precedence over the general explanation given here, so we confirm the applicable rule before relying on it in a submission.