COP26 outcome Article 6 of the Paris Agreement

CDM DNA Global Forum

Dubai, UAE, 28-29 March 2022



Article 6.2 decision

Chapter

Ambition in mitigation and adaptation actions

Description of what ITMO's are

What a First transfer is

Participation responsibilities

Account methods (use for NDC and OIMP) ADD/SUB

Key Details

- Strong encouragement to commit to contribute resources for adaptation towards AF, shall reporting..;
- Strong encouraged to cancel ITMOs that are not counted towards any Party's NDC or for OIMP
- Real, verifiable, additional, measured in tco2e or other non-GHG consistent with participating party, mitigation after 2021; Authorized and A.6.4 units transferred internationally.
- Authorized for NDC the first international transfer of the mitigation outcome
- Authorized for OIMP- Authorization, or Issuance, or the use or cancellation of the MO specify by part party
- Party to PA; Arrangements for Authorizing and track ITMOs; submitted NIR; NDC etc... LEDs etc
- Single year NDC (Emission trajectory, Averaging)
- Multi year NDC (Emission trajectory)
- Non-GHG ITMOs; Policy based NDCs
- CA to both covered and not covered under NDC



Article 6.2 decision

Chapter

Safeguards and limits

Reporting (What, how and when....

A.6 expert review (Who, What, when and how)

Infrastructure to record & track

Key Details

- Does not lead to a net increase in emissions within and between NDC implementation periods
- Ensure TACCC in tracking progress in implementation and achievement of its NDC
- Initial report No later than the authorization of ITMOs or in conjunction with BTR
- Annual report 15 April of previous year
- Regular information Annex to BTR by end of 31st Dec of relevant year
- Desk/ centralized review;
- The Article 6 technical expert review team shall forward its reports for consideration by the technical expert review ETF.
- International registry What information to record, who can open a/c, who operates?, where it parts with ??
- A.6 database: Record and compile the information submitted; who operates?, where it integrate with??
- CARP: Transparency and to support review, who manages it, what information are published and prepare annual report by sec...



Implementation of A.6.2 in 2022 (through the work of SBSTA)

Substantive aspects	Outcomes (further guidance)
ITMOs	Inclusion of 'avoidance'
Accounting rules	LDCs/SIDS circumstances Corr. adjustments
Reporting	Tables and Outlines
Review	Guidelines
Infrastructure	Recommendations for implementation

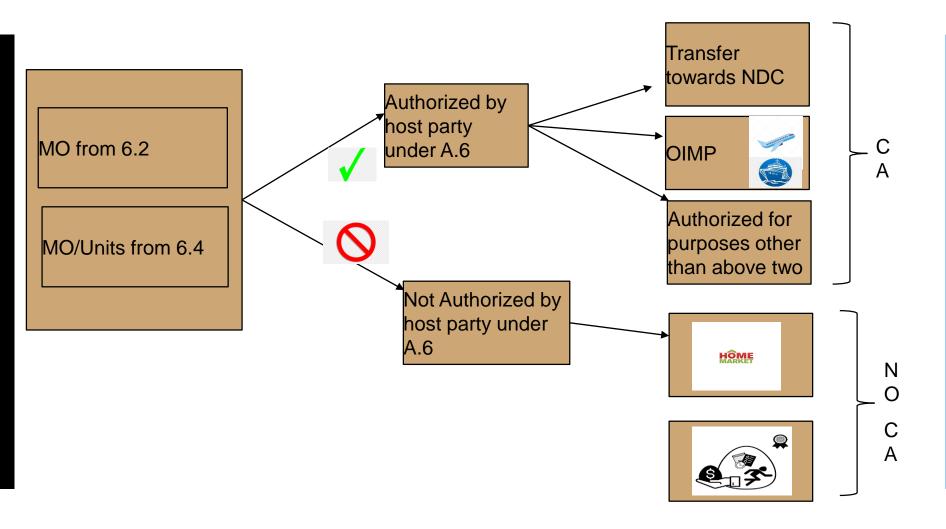


Article 6.4 decision

Topic	Key details
Operational decisions	 Establishment of the Supervisory Body, its functions, rules of procedure Participation responsibilities Roles for host parties (more than in CDM) – authorization, determination of the crediting periods, etc. Project activity cycle (specific baseline approaches, accreditation, validation, registration, monitoring, issuance, grievance processes, crediting periods).
Baseline approaches	 Encourage ambition; be below BaU; and align with the Host Party's NDC and its long-term low GHG emission development strategy and the long-term goals of the Agreement Each methodology shall apply: BAT (Best Available Technology); ambitious benchmark; or existing actual or historical emissions adjusted downwards, as a baseline approach (Host Parties may determine a more ambitious level) Standardized baselines may be developed by the SB or host Parties Demonstration of additionality considers all relevant national policies and takes a conservative approach that avoids locking in levels of emissions, technologies or carbon-intensive practices



Approval and Authorization by use case





Share of proceeds Adaptation and OMGE

Share of proceeds towards Adaptation

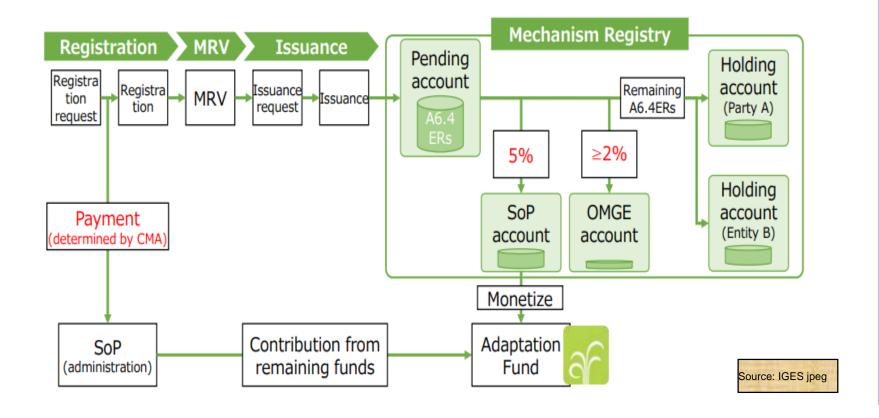
- A levy of 5% of A6.4ERs at issuance
- A monetary contribution related to the scale of A6.4 activity or to the number of A6.4ERs issued, to be set by the SB
- CA by the HP if it authorized the A6.4ERs for use towards achieving NDCs and/or OIMP
- Remaining funds from the Administration levy channeled to adaptation

Overall mitigation of global emissions

- A minimum of 2% of the issued A6.4ERs to the cancellation account for OMGE
- The cancelled A6.4ERs shall not be further transferred or used for any purpose
- CA by the HP if it authorized the A6.4ERs for use towards achieving NDCs and/or OIMP



ACTIVITY CYCLE





Transition of CDM activities to Article 6.4 mechanism

- Registered CDM project activities/PoAs and those with provisional status under the temporary measures may transition to the 6.4 mechanism, subject to:
 - a) PP <u>submit a request to the secretariat/DNA</u> by no later 31 December 2023;
 - b) The approval of transition being sent by DNA to A.6.4 SB no later than 31 December 2025;
 - c) Compliance with the relevant requirements of the A.6.4 RMP and decisions by CMA;
 - d) The activity may continue to apply its current approved CDM methodology until the earlier of the end of its current crediting period or 31 December 2025, after which need to apply A.6.4 methodology;
 - e) Small-scale CDM project activities/PoAs undergo an expedited transition process



Transition of CERs

- CERs may be used towards NDCs, provided:
 - a) The CDM project activity/PoA was registered on or after 1 January 2013;
 - b) The CERs shall be transferred to and held in the 6.4 mechanism registry and identified as pre-2021 emission reductions;
 - c) The CERs may be used towards achievement of the <u>first NDC</u> only;*
 - d) The CDM host Party shall not be required to apply a corresponding adjustment, nor subjected to the SOP as per 6.4 requirements;
 - e) tCERs and ICERs (from A/R activities) shall not be used.
 - * CERs not meeting the conditions in a-d above may only be used for achievement of an NDC in accordance with a future decision of the CMA



Implementation of 6.4 RMP (through work of SBSTA)

Substantive aspects	Outcomes (further guidance)
Roles of host Party	 Elaboration and application of national arrangements for the mechanism under the approval and supervision of the Supervisory Body
Scope of activity	 Consideration of additional scope of activities as avoidance
Process implementation	Mechanism registry Share of proceeds
	Share of proceedsOverall Mitigation of global emissions
	Transition of activities
	 Use of CERs towards first or first updated nationally determined contributions
Reporting	 Reporting by host Parties on their Article 6, paragraph 4, activities



Mandates related to article 6.4 RMP (through A.6.4 SB)

Substantive aspects	Outcomes (further decisions at CMA)
Rules of procedure for the Supervisory Body	 RoP and to operate and hold meetings based on the annex pending any further guidance
SOP for administration	 Appropriate levels including to enable a periodic contribution to the SOP for adaptation for the Adaptation Fund
Methodology procedures 6.4	The application of the requirements in the methodologies
Elaboration for removal activities 6.4	 Appropriate MRV provision, addressing reversals, avoidance of leakage, and avoidance of other negative environmental and social impacts



Article 6.8 decision

Topic	Key details
Governance	 Glasgow Committee on non-market approaches convened and guided by the SBSTA Chair, operating in-session and open to all Parties (as per contact group procedures) Committee to develop a schedule for implementation by 2022 The SBSTA will recommend, the need of a new institutional arrangements that supersede the GC in 2027.
Focus areas	Initial areas established: mitigation, adaptation, clean energy
Modalities	 Workshops, technical papers, other engagement opportunities
Activities	 Identifying measures for enhancing existing linkages, creating synergies and facilitating coordination and implementation of NMAs Implementing the identified measures



So... what now? – Article 6.8

- Future work could be considered in two tracks:
 - 1) Undertaking the work-programme for initial focus areas
 - Workshops, technical papers, information exchanges etc.
 - Guided by the SBSTA Chair and GC-NMA
 - 2) Further refining the work-programme
 - Elaboration of focus areas and modalities of work
- Submissions by 28 February 2022 technical paper by secretariat
- Review in 2026



Capacity-building under A6.2 and A6.4

Article 6.2 Capacity-building programme including through RCCs in consultation with parties

- a) Support the development of institutional arrangements, including reporting
- b) Help Parties ensure that co- op approaches support ambition;
- c) Assist the LDC and SIDs in meeting the participation requirements.

Article 6.4 – Capacity building programme including RCC in consultation with 6.4 SB and parties

- a) Establish the necessary institutional arrangements to implement the requirements;
- b) Develop the technical capacity to design and set baselines for application in host Parties;
- c) Capacity-building in developing countries to apply the Article 6.4 mechanism, and support for the transition CMP mandate



United Nations Framework Convention on Climate Change

THANK YOU

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