

# ARTICLE 6 UPDATES

**Regional DNA forum**

01 Sep 2022



## Article 6.2 decision

<i>Chapter</i>	<i>Key Details</i>
Ambition in mitigation and adaptation actions	<ul style="list-style-type: none"><li>• Strong encouragement to commit to contribute resources for adaptation towards AF, shall reporting..;</li><li>• Strong encouraged to cancel ITMOs that are not counted towards any Party's NDC or for OIMP</li></ul>
Description of what ITMO's are	<ul style="list-style-type: none"><li>• 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.</li></ul>
What a First transfer is	<ul style="list-style-type: none"><li>• Authorized for NDC - the first international transfer of the mitigation outcome</li><li>• Authorized for OIMP- Authorization, or Issuance, or the use or cancellation of the MO specify by part party</li></ul>
Participation responsibilities	<ul style="list-style-type: none"><li>• Party to PA; Arrangements for Authorizing and track ITMOs; submitted NIR; NDC etc... LEDs etc</li></ul>
Account methods (use for NDC and OIMP) ADD/SUB	<ul style="list-style-type: none"><li>• Single year NDC (Emission trajectory, Averaging)</li><li>• Multi year NDC (Emission trajectory)</li><li>• Non-GHG ITMOs ; Policy based NDCs</li><li>• CA to both covered and not covered under NDC</li></ul>



## Article 6.2 decision

### *Chapter*

### *Key Details*

Safeguards and limits

- 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

Reporting (What, how and when....)

- 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 31<sup>st</sup> Dec of relevant year

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

- Desk/ centralized review ;
- The Article 6 technical expert review team shall forward its reports for consideration by the technical expert review ETF.

Infrastructure to record & track

- 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)

Outcomes (further guidance)	SBSTA 56 outcomes
<b>Reporting</b> : Tables and Outlines	SUB, TP, WS
<b>Review</b> : Guidelines	SUB, TP, WS
<b>Infrastructure</b> : Recommendations for implementation: <ul style="list-style-type: none"> <li>• Connections between IR and MR</li> <li>• Survey choice between implementing a registry, having access to a registry and using IR</li> </ul>	SUB, TP, WS
<b>ITMOs</b> - Inclusion of 'avoidance'	SUB
<b>Accounting rules</b> LDCs/SIDS circumstances ; Corr. adjustments	SUB
<b>SBSTA CHAIR TO PRODUCE INFORMAL TEXTUAL PROPOSALS WITH DRAFT DECISIONS</b>	
<b>UNFCCC – Update the status of work on the CB and implementation plan</b>	

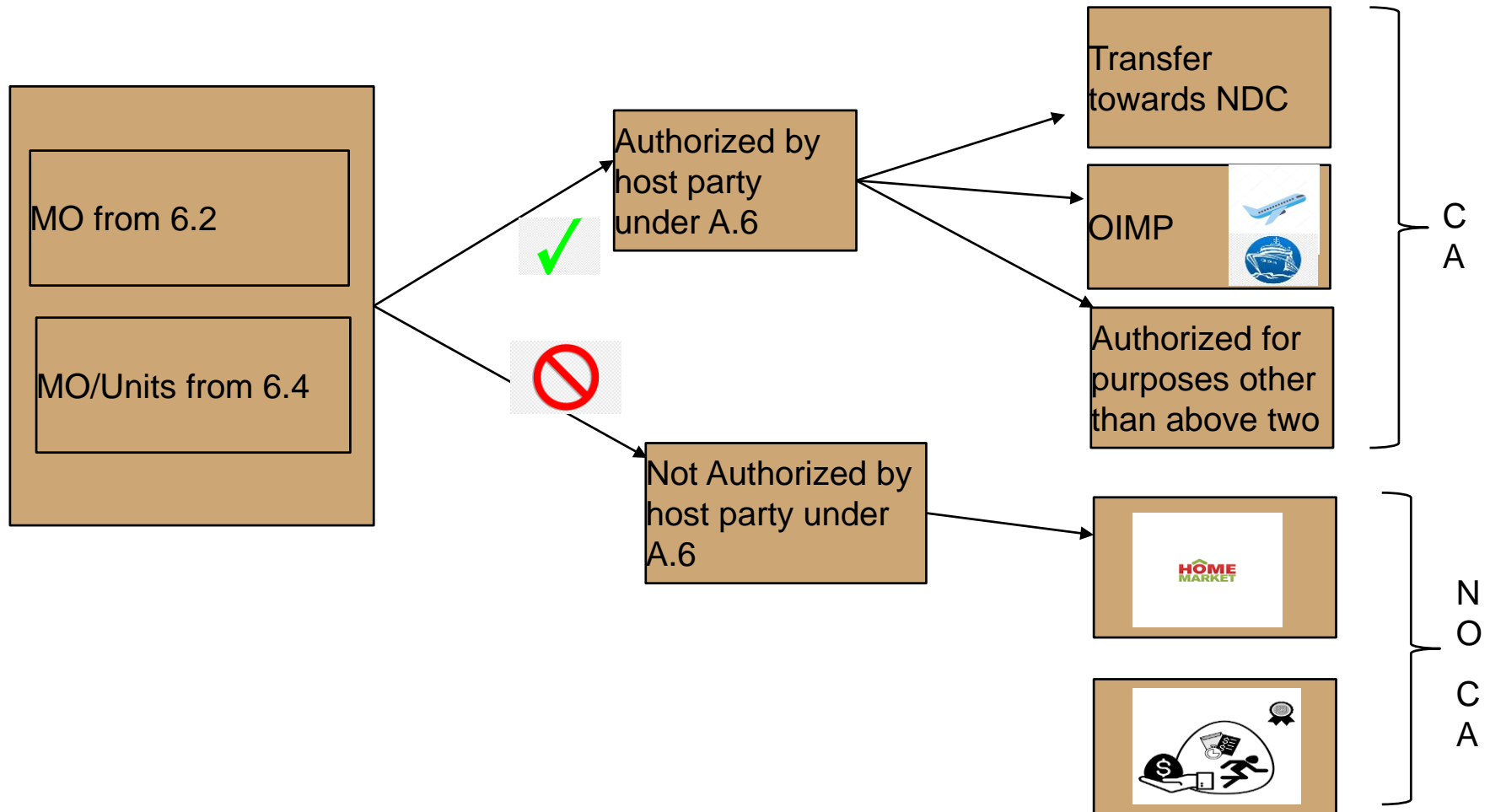


## Article 6.4 decision

Topic	Key details
<b>Operational decisions</b>	<ul style="list-style-type: none"><li>• Establishment of the Supervisory Body, its functions, rules of procedure</li><li>• Participation responsibilities</li><li>• Roles for host parties (more than in CDM) – authorization, determination of the crediting periods, etc.</li><li>• Project activity cycle (specific baseline approaches, accreditation, validation, registration, monitoring, issuance, grievance processes, crediting periods).</li></ul>
<b>Baseline approaches</b>	<ul style="list-style-type: none"><li>• 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</li><li>• 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)</li><li>• Standardized baselines may be developed by the SB or host Parties</li><li>• 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</li></ul>



## Approval and Authorization by use case



## Share of proceeds Adaptation and OMGE

---

### **Share of proceeds towards Adaptation**

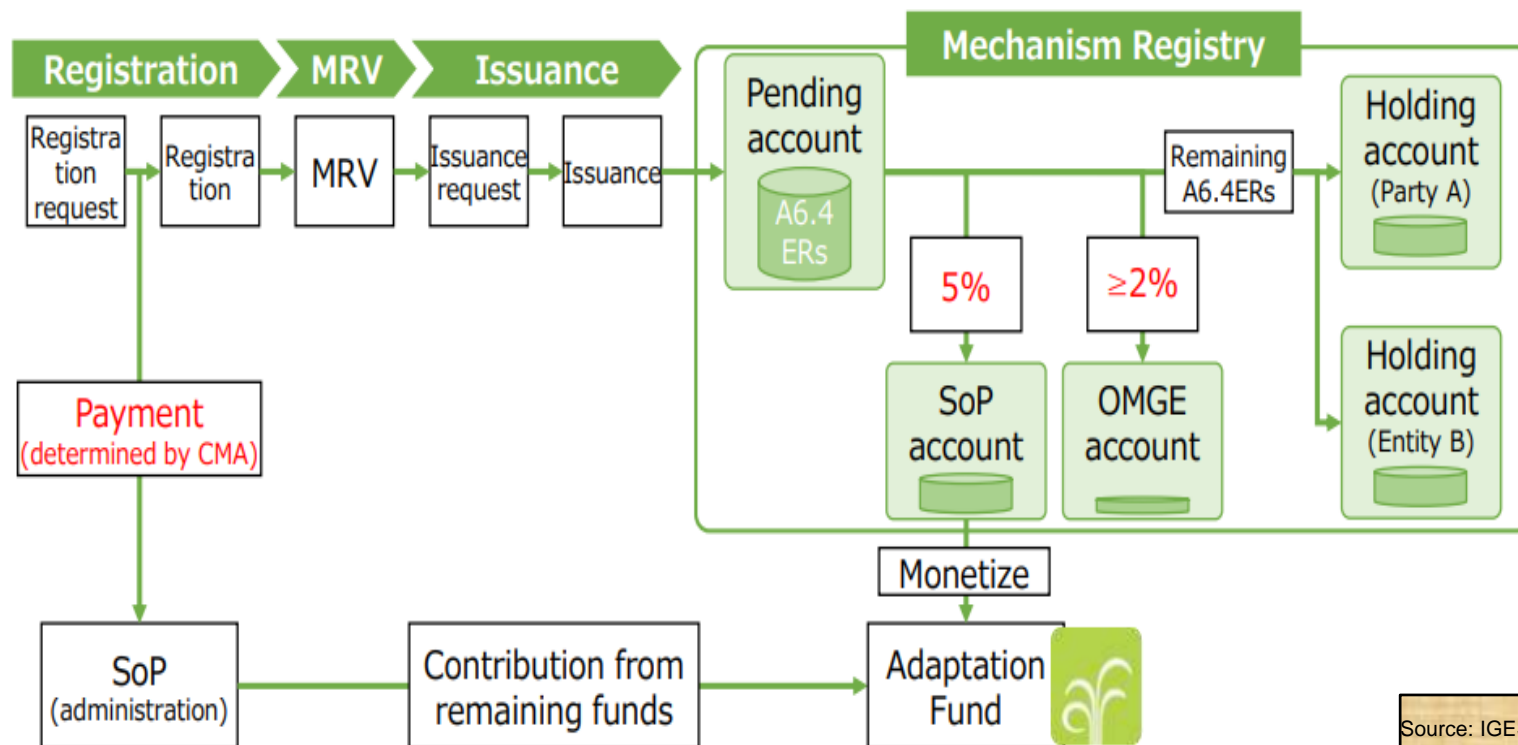
- A levy of 5% of A6.4ERs at issuance
- A monetary contribution related to the scale of A6.4 activity or to the number of A6.4ERs issued, to be set by the SB
- CA by the HP if it authorized the A6.4ERs for use towards achieving NDCs and/or OIMP
- Remaining funds from the Administration levy channeled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



Source: IGES jpeg



## 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 submit a request to the secretariat/DNA - 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 first NDC only;<sup>\*</sup>
  - 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.
  
- <sup>\*</sup> 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)	SBSTA 56 outcomes
<b>Roles of host Party</b>	<ul style="list-style-type: none"> <li>Elaboration and application of national arrangements for the mechanism under the approval and supervision of the A.6.4 SB</li> </ul>	SUB
<b>Scope</b>	<ul style="list-style-type: none"> <li>Inclusion of Avoidance</li> </ul>	SUB
<b>Process implementation</b>	<ul style="list-style-type: none"> <li>Mechanism registry</li> <li>SOP for adaptation</li> <li>OMGE</li> </ul>	SUB, TP, WS
	<ul style="list-style-type: none"> <li>Transition of activities</li> </ul>	SUB, TP, WS
	<ul style="list-style-type: none"> <li>Use of CERs towards first or first updated NDCs.</li> </ul>	SUB, TP, WS
<b>Reporting</b>	<ul style="list-style-type: none"> <li>Reporting by host Parties on their Article 6, paragraph 4, activities</li> </ul>	SUB, TP, WS

**SBSTA CHAIR TO PRODUCE INFORMAL TEXTUAL PROPOSALS WITH DRAFT DECISIONS**

**UNFCCC – Update the status of work on the CB and implementation plan**



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

Substantive aspects	Outcomes (further decisions at CMA)
<b>Rules of procedure for the Supervisory Body</b>	<ul style="list-style-type: none"><li>• RoP and to operate and hold meetings based on the annex pending any further guidance</li></ul>
<b>SOP for administration</b>	<ul style="list-style-type: none"><li>• Appropriate levels including to enable a periodic contribution to the SOP for adaptation for the Adaptation Fund</li></ul>
<b>Methodology procedures 6.4</b>	<ul style="list-style-type: none"><li>• The application of the requirements in the methodologies</li></ul>
<b>Elaboration for removal activities 6.4</b>	<ul style="list-style-type: none"><li>• Appropriate MRV provision, addressing reversals, avoidance of leakage, and avoidance of other negative environmental and social impacts</li></ul>

## Institutional Arrangements – Article 6

---

### **ARTICLE 6.4**

- (a) It is a Party to the PA ; Maintaining NDC;
- (b) It has DNA for the mechanism and has communicated that designation to the secretariat;
- (c) It has indicated publicly to the 6.4 SB how its participation in the mechanism contributes to SD , while acknowledging that the consideration of SD is a national prerogative;
- (d) It has indicated publicly to the 6.4 SB the types of Article 6, paragraph 4, activity that it would consider approving (Approval and authorization).
- (e) How such types of activity and any associated emission reductions would contribute to achievement of the LDC, LT-LEDS, and Long-term goals of the Paris Agreement.
- (f) Baseline approaches and crediting periods (May requirements).

### **ARTICLE 6.2**

- (a) It is a Party to the PA; maintaining NDC; NIR
  - (b) It has arrangements in place for authorizing and tracking the use of ITMOs towards achievement of NDCs pursuant to Article 6, paragraph 3;
  - (c) Its participation contributes to the implementation of its NDC and LT-LEDS and the long-term goals of the PA.
- 



## Article 6.8 decision

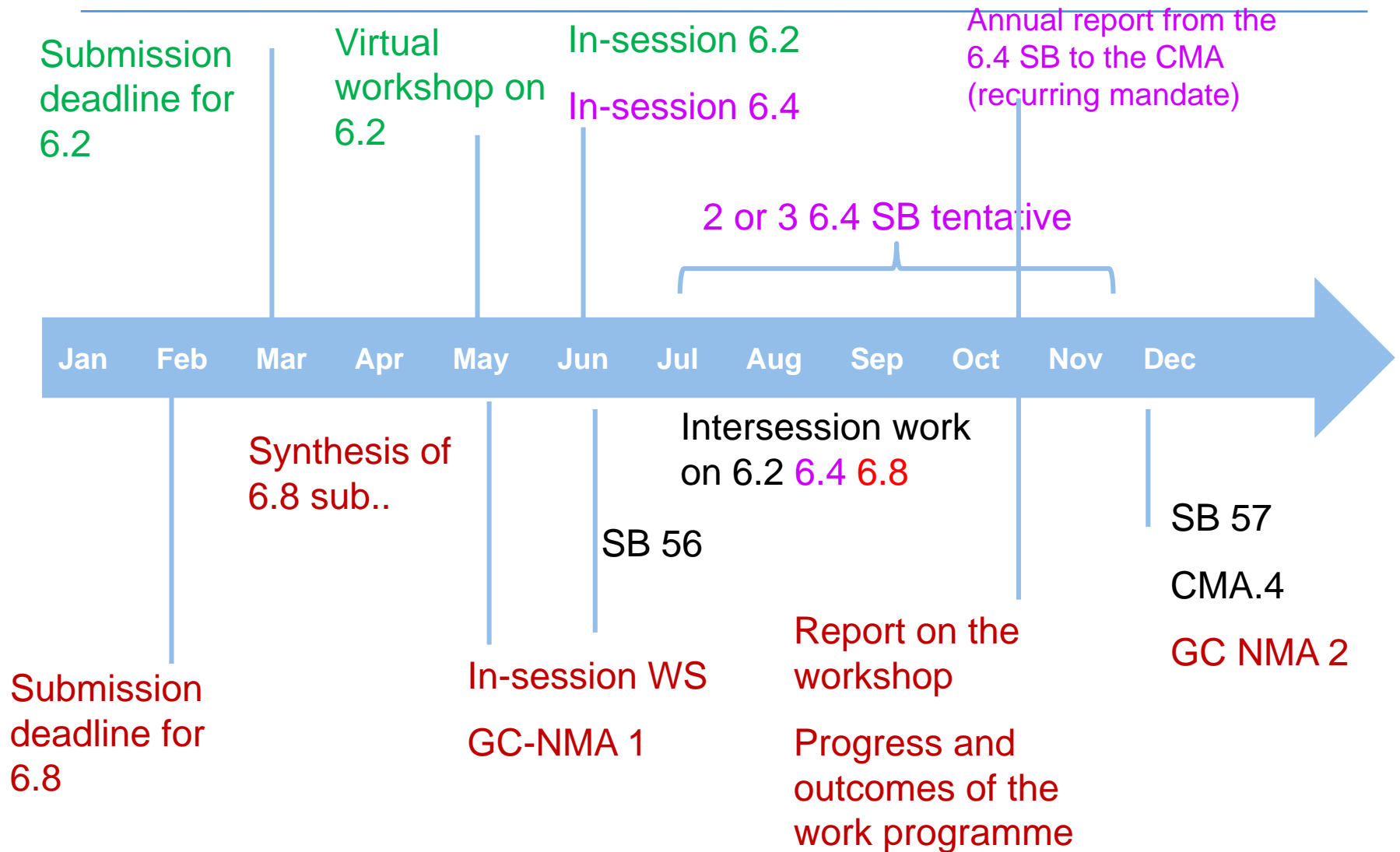
Topic	Key details
<b>Governance</b>	<ul style="list-style-type: none"><li>• Glasgow Committee on non-market approaches convened and guided by the SBSTA Chair, operating in-session and open to all Parties (as per contact group procedures)</li><li>• Committee to develop a schedule for implementation by 2022</li><li>• The SBSTA will recommend, the need of a new institutional arrangements that supersede the GC in 2027.</li></ul>
<b>Focus areas</b>	<ul style="list-style-type: none"><li>• Initial areas established: mitigation, adaptation, clean energy</li></ul>
<b>Modalities</b>	<ul style="list-style-type: none"><li>• Workshops, technical papers, other engagement opportunities</li></ul>
<b>Activities</b>	<ul style="list-style-type: none"><li>• Identifying measures for enhancing existing linkages, creating synergies and facilitating coordination and implementation of NMAs</li><li>• Implementing the identified measures</li></ul>



## Implementation of 6.8 through work of SBSTA

Outcomes (further guidance)	SBSTA 56 outcomes
<ul style="list-style-type: none"><li>• Elements of a draft decision on the <b><u><i>schedule for implementing the activities of the WP</i></u></b> on A.6.8</li></ul>	SUB, TP
<ul style="list-style-type: none"><li>• The <b><u><i>specifications</i></u></b> for the UNFCCC web-based platform</li></ul>	SUB, TP
<ul style="list-style-type: none"><li>• Actions that facilitate the implementation of NDC and can be identified, developed and implemented through the framework for NMAs;</li></ul>	SUB
<ul style="list-style-type: none"><li>• NMAs related to initiatives, programmes and activities;</li></ul>	SUB
<ul style="list-style-type: none"><li>• How NMA initiatives and programmes, consistent with the framework for NMAs have addressed the elements of chapter II, paragraph 3(e), of the annex to decision 4/CMA.3 and other relevant criteria determined by the participating Parties, as relevant.</li></ul>	SUB ,TP
<b>SBSTA CHAIR TO PRODUCE INFORMAL TEXTUAL PROPOSALS WITH DRAFT DECISIONS</b>	

## Timeline for article 6 2022





## 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



# THANK YOU

A.K.Perumal  
Team Lead  
[parumugam@unfccc.int](mailto:parumugam@unfccc.int)

