#### United Nations Framework Convention on Climate Change

# Updates on Article 6

Regional DNA Forum – Latin American and Caribbean climate week (LACCW)

Santo Domingo

Dominical Republic

18 – 22 July 2002



## **Article 6: co-operation towards NDCs**

## **Cooperative approaches**

Articles 6.2 and 6.3 and decision 1/CP.21, paragraph 36

Bilateral/multilateral cooperation between interested countries, involving transfers of the mitigation outcomes produced through such cooperation

### The mechanism

Articles 6.4 to 6.7 and decision 1/CP.21, paragraphs 37 and 38

To be operated centrally (UNFCCC secretariat), credits emission reductions by public and private sector actors, allows for international transfer of those credits

## Framework for non-market approaches

Articles 6.8 and 6.9 and decision 1/CP.21, paragraphs 39 and 40

Facilitates climate action through international cooperation focused on sustainable development and poverty eradication (and does not involve trading)



## Scope of the Article 6 activities

#### **EMISSION REDUCTIONS**

Can come from all sectors, including nature-based solutions, for example:



Transition to Renewable Energy



**Reducing** emissions from deforestation; **Reducing** emissions from degradation; Sustainable management of forests



**Energy Efficiency** 



Transition to Electric Vehicles

#### **REMOVALS**

Can come from engineered solutions and from enhancing carbon sinks, for example:



Engineered Carbon Removal Technology: Direct Air Capture & Storage



Enhancement of Forest Carbon Stock: Afforestation Reforestation

Adaptation, Mitigation and Mol – Without trading of emissions

Can include all types of co-operation without transfer of mitigation outcomes



# What was decided (6.2 and 6.4)?

Issue	Outcome
How to optimize finance for adaptation (6.2)	Strong encouragement to commit to contribute resources for adaptation, in particular to Adaptation Fund, and taking into account 6.4 and Parties shall report on any contributions made
The article 6.2 guidance elaborates	<ul> <li>Requirements for participation in cooperative approaches</li> <li>What are ITMOs and how to account them towards NDC and other uses</li> <li>What, how and when to report information</li> <li>What, how and when to review information</li> <li>What Infrastructure is required and how its operation supports the accounting, reporting and review cycle</li> </ul> All metrics and no exception to corresponding adjustments
Non GHG (6.2 approaches)	Full implementation in the guidance (full rule set)



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

Outcomes (further guidance)	SBSTA 56 outcomes	
Reporting: Tables and Outlines	SUB, TP, WS	
Review : Guidelines	SUB, TP, WS	
<ul> <li>Infrastructure: Recommendations for implementation:</li> <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	
ITMOs - Inclusion of 'avoidance'	SUB	
Accounting rules LDCs/SIDS circumstances; Corr. adjustments	SUB	
SBSTA CHAIR TO PRODUCE INFORMAL TEXTUAL PROPOSALS WITH DRAFT DECISIONS		
UNFCCC – Update the status of work on the CB and implementation plan		

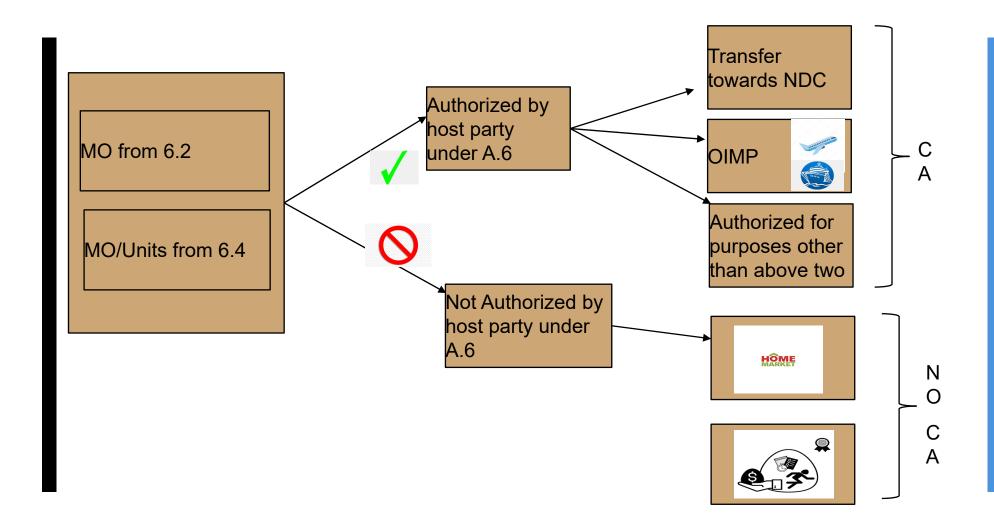


# What was decided (6.2 and 6.4)?

Issue	Outcome
Share of proceeds (6.4 mechanism)	5 percent, monetary level (tbd) and allocation of excess income from the administrative costs to the Adaptation Fund (tbd), with corresponding adjustment
Overall mitigation in global emissions (6.4 mechanism)	2 percent mandatory cancellation, with corresponding adjustment Voluntary cancellation (in addition) also possible
Use of pre-2021 CERs towards post-2020 NDCs	CERs useable for first NDC – conditions for use (activities from 1/1/2013 onwards, held in mechanism registry, identified as pre-2021).
Baselines and additionality (6.4 mechanism)	Ambitious with numerous guiding "principles" and rules focused on best available technology – with recognition not all activity types can operate at that level
CDM activity transition (to 6.4 mechanism)	Eligible activities (including eligible provisional status activities) can transition with a timeframe
Future of the CDM (under Kyoto Protocol)	No post-2020 CDM (activities starting or renewing in post 2020 period, CERs with post 2020 vintage) Continuation of "Temporary Measures" until transition Trust fund allocations to 6.4, Adaptation Fund, capacity building



### **Approval and Authorization by use case – Function of the mechanism**





### **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 longterm goals of the PA.



### Implementation of 6.4 RMP (through work of SBSTA)

Substantive aspects	Outcomes (further guidance)	SBSTA 56 outcomes
Roles of host Party	<ul> <li>Elaboration and application of national arrangements for the mechanism under the approval and supervision of the A.6.4 SB</li> </ul>	SUB
Scope	Inclusion of Avoidance	SUB
Process implementation	<ul><li>Mechanism registry</li><li>SOP for adaptation</li><li>OMGE</li></ul>	SUB, TP, WS
	Transition of activities	SUB, TP, WS
	Use of CERs towards first or first updated NDCs.	SUB, TP, WS
Reporting	<ul> <li>Reporting by host Parties on their Article 6, paragraph 4, activities</li> </ul>	SUB, TP, WS

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



## Substantive aspects (6.8)

Issue	Outcome
Governance	<ul> <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>
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



## Implementation of 6.8 through work of SBSTA

Outcomes (further guidance)		SBSTA 56 outcomes
•	Elements of a draft decision on the <u>schedule for implementing the</u> <u>activities of the WP</u> on A.6.8	SUB, TP
•	The <u>specifications</u> for the UNFCCC web-based platform	SUB, TP, WS
•	Actions that facilitate the implementation of NDC and can be identified, developed and implemented through the framework for NMAs;	SUB
•	NMAs related to initiatives, programmes and activities;	SUB
•	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.	SUB ,TP

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## **THANK YOU**



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