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Canada's Presentation on Article 6 paragraph 4


**SBSTA 47 Roundtable
November 4, 2017**

What are the options for establishing additionality and/or baselines in the context of the host Party's NDC?

- **Options:**
 - Designated entity should not certify non-additional mitigation units
 - Conservative emission baselines should be used for crediting to avoid paying for reductions that would have otherwise happened
- **What additionality means:**
 - Mitigation outcomes credited and/or transferred through the new Mechanism would not have occurred otherwise
 - (i.e., in the absence of the intervention enabled through the new Mechanism)
- **Why it is important:**
 - Transfers of non-additional mitigation outcomes could potentially lead to claimed progress even though mitigation outcomes have not actually resulted

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What are the options for implementing an overall mitigation of global emissions?

- **Ensuring avoidance of double counting** can help guarantee an overall mitigation of global emissions
- Reminder of the Paris Agreement text:
 - Article 6, paragraph 4(d) requires that the new Mechanism **deliver an overall mitigation in global emissions**
 - Article 6, paragraph 5 **prohibits the claiming of the same emission reductions toward more than one country's NDC**
 - Mitigation outcomes acquired by Parties via the new Mechanism are **equivalent to ITMOs** under Article 6, paragraph 2
 - **Taken together**, these represent to the concept of avoidance of double counting described under Articles 4 and 6

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How can use of emission reductions from Article 6.4 activities by more than one Party to demonstrate achievement of its NDC be avoided?

- No double-counting of emissions reductions
- Transparent monitoring, reporting, and verification of mitigation outcomes
- Effective tracking through the new Mechanism's Registry
- Robust governance structure that can help build and maintain confidence to reduce volatility in the market

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What are the options for the transition of the rules/projects/credits under the Kyoto Protocol, if there is any transition at all?

- The Paris Agreement creates a **new** world for international carbon markets – all Parties have NDCs
- Rules from Kyoto Protocol mechanisms provide important lessons learned; these are useful for developing the rules, modalities, and procedures of the new Mechanism
- For consistency, the migration of existing projects and/or credits should meet the new Mechanism's conditions for approval

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Other Key Considerations

- The new Mechanism needs to be seen as a fresh entity, distinct from previous market mechanisms
- It should be designed with care and build upon previous mechanisms, including avoiding the challenges they encountered
- It is voluntary, and should avoid undue burden
- There must be widespread confidence in the new Mechanism for it to be effective in contributing to global emissions reductions

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