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Estonian Presidency
of the Council of the
European Union



EU and its Member States views on Article 6.2



Links to submissions

- October 2017:

[EE-06-10-SBSTA 10 a-b-c EU Submission on Art 6](#)

- March 2017:

[MT-03-21-EU SBSTA 12a b and c EU Submission Article 6](#)

- October 2016:

[SK-10-07-EU Submission on Art 6 2](#)



General key points

- Art 6.2 guidance is inclusive; it applies to all Parties willing to use ITMOs
- ITMOs are amounts, in tCO₂e, that are
 - subject to a corresponding adjustment
 - recorded in the accounting balances of the Parties involved
- Parties report, in a comparable manner, how they promote sustainable development
- Emission reductions from the Art 6.4 mechanism, when internationally transferred, are subject to Art 6.2 guidance and to corresponding adjustment



Q1.1 – How to ensure that the use of ITMOs does not lead to an overall increase in emissions?

Art 6.2 guidance must ensure environmental integrity, i.e. that the use of ITMOs does not lead to an overall increase in emissions

This is ensured by:

- Avoiding double counting (*all* transferred outcomes are accounted, no exemption)
- Incentivising progression in scope and ambition of NDC over time
- Doing the corresponding adjustment on the basis of the *emission* levels (not the *target* level)
- Clarifying the relationship between:
cooperative approach <-> NDCs <-> emission reductions in host party
- Adopting additional rules, if needed



Q1.2 – How to ensure guidance on environmental integrity is sufficient (through ITMO life-cycle, transparency, infrastructures)?

- Parties must report on *scope* and *quantification* of their NDC
- Parties do a timely corresponding adjustment in their *accounting balance* when ITMOs are transferred and used
- Additions and subtractions are recorded in a *centralised database* after being *reviewed*
- Compatible registry systems are needed
- Regularity and comparability of reporting across cycles is needed

Q2 - Which accounting approaches are most suitable, and why?



- The *accounting balance* represents emissions and removals covered by the NDC, that are *adjusted* to reflect the use and transfer of ITMOs
- „*Corresponding*“ means that additions and subtractions must correspond
 - need to consider vintages and relationship to NDC
- Regular reporting and adjustment to the accounting balance are needed in order to track progress towards NDC
- In addition to reporting requirements under Art 13.7, Parties must:
 - report on use and transfer of ITMOs
 - record the corresponding adjustments in their accounting balance

Q3 - How is mitigation outside the scope of the NDC covered by the guidance?



- Mitigation is inside the scope of NDC:
 - Corresponding adjustment always needed
- Mitigation is outside the scope of NDC: several options but
 - Can we accept that mitigation outside NDC is counted towards NDC (even without Art 6)?
 - Why the ITMOs are not covered by the NDC?
 - Guidance must incentivise progression in scope and ambition
- Mitigation is inside the scope of NDC, but outside NDC timescale:
 - Need to report on a yearly basis, to *track progress* (Art 13.7b)
 - Additional reporting and review requirements needed, duly coordinated with guidance under Art 4.13 and Art 13



Conclusions

On the basis of submissions, presentations, and interventions by Parties, co-facilitators should:

- Identify:
 - Areas of convergence;
 - Areas of divergence;
 - Areas for further work; and
- Prepare draft conclusions for discussion during SBSTA 47 including a mandate to produce draft text for rules, modalities and procedures, to be agreed next year



Thank you very much!



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