

Informal information note by the Co-Facilitators

SBSTA 46 agenda item 10 (b) – Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement

17 May 2017

This informal information note has been prepared to reflect the discussions under SBSTA agenda item 10 (b). It is a non-paper with no official standing.

The attachment to this informal note contains a non-exhaustive and unstructured list of elements prepared by the Co-Facilitators. The informal list represents our attempt to informally capture the views on elements expressed by Parties in their submissions and in their discussions during informal consultations at SBSTA 46. The informal list does not attempt to capture convergence or divergence. The informal list does not represent agreement; and does not represent agreed views, or agreed ideas or agreed text. The informal list does not represent a proposed structure and the location and numbering of elements does not denote any ranking and the elements raised by Parties are not in any order of priority.

In reflecting on the process of developing the informal list and on the elements within it, some Parties spoke of the need to ensure that the work of the group be governed by the provisions of the Paris Agreement (and decision 1/CP.21) and expressed their concern that some elements listed by Parties on the informal list were not included in the relevant provisions of the Paris Agreement. Others also identified the need to ensure that the rules, modalities and procedures does not contradict the Paris Agreement. Other Parties wished to collect the broadest list of elements reflecting Parties' views. Many Parties expressed their strong discomfort with certain elements on the informal list.

We want to give all Parties assurance that the informal list is not in any way a suggested basis for developing the rules, modalities and procedures relating to Article 6 paragraph 4 of the Paris Agreement. It is not a forecast of any future direction of work. It does not prejudge further work that Parties may want to undertake nor does it in any way limit Parties from expressing any views they may have in the future.

6.4 (version 2.1.1)(Final Version)

A. Overarching issues, principles, considerations, context, criteria

1. Context of the Paris Agreement
2. Context of Article 2
3. Voluntary participation
4. Unitary nature of Article 6 and the Paris Agreement
5. Environmental integrity
6. Sustainable development
7. Preserving national prerogatives
8. Incentives for higher ambition
9. Incentives for progression
10. Incentives for domestic mitigation
11. Transparency
12. Overall mitigation in global emissions
13. Bottom-up approach
14. Party-driven process
15. Accounting integrity
16. Carbon market credibility, development, strengthening
17. Distinctive nature of Articles 6.2, 6.4 and 6.8
18. Equal treatment of Article 6.2 and Article 6.4
19. Real, measurable, long-term benefits, additionality
20. Top-down, centralized and multilateral nature
21. Share of proceeds
22. Lessons learned from existing mechanisms
23. Article 6.4(c)
24. Not erode the environmental integrity of NDCs, implementation of NDCs
25. ...

B. Definitions

1. Activities
2. Article 6.4 units, credits
3. ...

C. Scope and applicability of rules, modalities and procedures for Article 6.4

1. Mitigation inside, outside NDC
2. ...

D. Governance

1. Roles of the CMA
2. Roles, composition and procedures for the supervisory body
3. Roles of participating Parties and institutional arrangements
4. Role of the secretariat
5. Accreditation and roles of designated operational entities
6. Operational cost
7. Appeals process
8. Certification of non-UNFCCC mechanisms
9. Review process for rules, modalities and procedures
10. ...

E. Participation

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1. Participation by Parties
2. Participation by public and private entities
3. Inclusivity and incentivizing the participation
4. ...

F. Scope of activities

1. Types of eligible activities, sectors, methodologies
2. Projects
3. Programmes of activities
4. Sectoral approaches
5. Inclusivity
6. ...

G. Aspects of activity

1. National control, priority and prerogatives
2. Approval by Parties
3. Development of methodologies
4. Quantification of mitigation, emission reductions and avoidance
5. Permanence
6. Determining baselines, conservativeness
7. Determining additionality
8. Measures to ensure environmental integrity
9. Sustainable development
10. Stakeholder consultation
11. Grievance process
12. Resolving disputable issues
13. Mitigation co-benefits of adaptation and economic diversification
14. ...

H. Activity cycle

1. Activity design
2. Validation
3. Registration
4. Monitoring and reporting
5. Verification
6. Certification
7. Issuance
8. Cancellation
9. ...

I. Share of proceeds

1. For administrative expenses
2. For adaptation, the Adaptation Fund
3. ...

J. Overall mitigation in global emissions

1. Responsibility
2. Timing
3. Methodological approaches, best-available-technology benchmarks, conservative baselines, cancellation, Article 6.4(c)

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4. Accounting modalities
5. ...

K. Limits and safeguards

1. Supplementarity
2. Limits to transfer, acquisition
3. No infringement of human rights, other preamble rights, no conflict with other environmental aspects
4. Avoiding negative incentives, speculative policies, interferences
5. Addressing negative social and economic impacts
6. Addressing negative ecological impacts
7. Avoidance of fraudulent trading
8. ...

L. Infrastructure

1. International transaction log
2. Article 6.4 registry
3. Other registries
4. Infrastructure cost
5. ...

M. Transparency

1. Public availability of data
2. ...

N. Accounting

1. Impact of scope, types, time period, conditionality of NDC
2. Article 6.4 registry transactions (forwarding, transfer, acquisition) to Parties and non-Parties
3. Use of Article 6.4 credits or units for achieving NDC
4. Common accounting system
5. Applicability of Article 6.2 accounting, applicability of corresponding adjustment
6. Avoidance of double counting, avoidance of double use (Article 6.5)
7. Accounting integrity
8. Article 6.4(c)
9. ...

O. Interlinkages

1. Relationship between Article 6.4 and Article 6.2
2. Relationship between Article 6.4 and Article 6.8
3. Links to Article 2, 3
4. Links to Article 4.7 mitigation co-benefits
5. Links to Article 4.13 accounting guidance, TACCC principles
6. Links to Article 4.15 impacts of response measures
7. Links to Article 13.7(a) GHG inventories
8. Links to Article 13.7(b) information to track progress
9. Links to Article 14 global stocktake
10. Links to Article 15 mechanism to facilitate implementation and promote compliance
11. Links to Article 19 subsidiary bodies and other institutional arrangements
12. ...

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P. Transitional issues

1. Transition of rules, methodologies, infrastructure, accreditation
2. Transition of activities, issuance
3. Transition of credits, units
4. Fungibility
5. Impact of new rules
6. ...

Q. Other

1. Capacity building
2. ...