

# **Arab Group Views on Article 6.2**

## What are the Principles and Overarching Issues?

- Inclusive participation on a voluntary basis by all Parties to PA and all types of NDCs.
- Embracing diversity through an inclusive approach that accommodates all NDCs, increase in cooperation prospects.
- Maintaining national prerogatives through a bottom-up approach which is in line with PA (NDCs & Sustainable development)
- Prioritizing NDC implementation while limiting other, extraneous influences, activities (i.e. speculation, spillover effects).
- Domestic efforts are the basic tool to achieve NDCs, while ITMOs are supplementary. (Need to Provisions for acquisition limits)

# Share of proceeds

- Expand to 6.2 to ensure that 6.4 is not disadvantaged
- The Adaptation Fund would be an ideal destination since already focuses on supporting adaptation efforts.
- These shares could be applied in a progressive manner at an increased rate with each transfer to :
  - Provide further support to the adaptation (6.6).
  - Reinforce NDC implementation (the primary goal of Article 6).
  - Reduce volatilities and speculative activities.

# Mitigation Outcomes

- Not unique to Article 6.2, addressed elsewhere and put in the context of NDCs.
- Need full spectrum of mitigation outcomes
  - Emission reductions
  - Emission avoidance
  - Co-benefits of adaptation including economic diversification
- Accommodation of various metrics

## How can we ensure that the guidance in relation to environmental integrity is sufficient?

- Environmental integrity is a key facilitative provision that could effectively serve the primary provisions of Art. 6, (NDC & SD).
- According to that, this integrity would be relevant to transfer activities under Article 6 (its unique feature) rather than the subject mitigation outcomes under the NDCs (under Article 4.13), which are purely the prerogative of Parties.
- **So, the guidance should be focusing on the transfer to avoid double counting rather than focusing on the mitigation outcomes under NDCs, which is covered in other parts of the PA, Art 4.**

# Which accounting approaches are most suitable, and why?

- As per decision 1/CP.21, para. 36, “...guidance to ensure that double counting is avoided on the basis of a corresponding adjustment by Parties for both anthropogenic emissions by sources and removals by sinks covered by their NDCs.”
- Realizing the full spectrum of mitigation opportunities would also require the accommodation of various mitigation metrics, where cooperating Parties can decide on the metrics in accordance with their respective NDCs and the mitigation opportunities they might share.
- corresponding adjustment should provide such accommodation and flexibility . The accounting approach should be facilitative and non-restrictive accommodating all NDC types and cooperative opportunities. A target-based, or similar approach would be unsuitable as it may prejudge national prerogatives associated with NDCs.

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

- ITMOS may originate within or outside the scope of an NDC. The guidance should not influence or require changes to NDCs including their targets, if any, as this should be nationally decided.
- As for ITMOs outside of the originating Party's NDC, they should be included as long as they are compatible with the acquiring Party's NDC. Including these ITMOs should broaden mitigation and sustainable development opportunities.
- Corresponding adjustments would not be relevant in this case since the subject mitigation would only be claimed by the acquiring Party towards its NDC thus eliminating the risk of double counting.