

Round table  
on Art. 6.4 of the Paris Agreement  
(the mechanism)

SBSTA 47, 04.11.2017

Presentation of the views contained in  
the submission by Liechtenstein,  
Mexico, Monaco and Switzerland

[http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/201\\_344\\_13153914\\_5484986739-Article%206%20SBSTA%2047%20LIE%20MEX%20MON%20CH.pdf](http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/201_344_13153914_5484986739-Article%206%20SBSTA%2047%20LIE%20MEX%20MON%20CH.pdf)

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

The **body** supervises the mechanism:

- develops **tools and standards** for additionality and baselines, among others
- defines **procedures for ensuring and assessing conformity** of all activities with the rules and for **approving** activities

The tools and standards ensure that the activities are **environmentally integer**:

- **additional to any reduction that would otherwise occur**
- **quantified in tCO<sub>2</sub>eq in a conservative manner**

How?

- principles and rules for **assessing additionality and periodically reassessing** it
- **context** (NDCs) is crucial (different from the additionality under the CDM)
- **all policies** (national, regional, local) are accounted in the baselines
- **dynamic changes** in baselines are applied (changes in technologies, developments of policies, new or revised NDCs)
- **conservative** assumptions, baselines set well below conservative estimates of current efforts
- **maximum length** of the crediting period
- rules to **avoid leakage**

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

Emission reduction credits under Art. 6.4, **when they are internationally transferred, are ITMOs** according to Art. 6.2

- have to **apply the guidance for Art. 6.2, including on no double counting**
- both Parties make a **corresponding adjustment**, both for reductions coming from **inside and outside the scope of the NDC** of the host country

**Other possible use** of Art. 6.4, **when there is no international transfer** of emission reduction credits: use by the host Party as a “domestic offset scheme” (e.g. some sectors with emission reduction targets under the NDC can comply with some of their obligations by acquiring/using emission reductions in other sectors)

- **transitional function of discovering further emission reduction potentials and fostering the inclusion of sectors/gases in future NDCs**
- **some requirements** to ensure that this **does not undermine the ambition of the NDC of the Party over the long term** (e.g. corresponding adjustments, rules on additionality, etc.)

## 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 is a **separate legal instrument**
- **M&P of the mechanism** should **first** be developed and adopted
- The CMA should **then decide if and how CDM projects could be integrated** into the mechanism
- **Host countries** of such projects might **decide if such projects should:**
  - **stop** (e.g. not additional any more given the introduction of policies/measures to achieve the NDC => the reductions are rewarded under the policies/measures set by the host Party to achieve its NDC)
  - **or transition** under the mechanism (i.e. if such projects are still additional => bring emission reductions beyond the policies/measures set by the host Party to achieve its NDC)
- CDM projects could **apply for registration under the mechanism**. This implies an **assessment according to the M&P** of the mechanism (e.g. additionality, etc.)