

Subsidiary Body for Scientific and Technological Advice

Chair's summary, informal technical expert dialogue

Implementation of cooperative approaches using non-GHG metrics per 6.2 guidance

Background

In relation to Article 6 of the Paris Agreement¹, The SBSTA Chair, Mr Tosi Mpanu Mpanu organized an informal technical expert dialogue on implementation of cooperative approaches using non-GHG metrics per 6.2 guidance on 8 October 2021. At the request of the SBSTA Chair, the dialogue was facilitated by Kim Solberg of the Netherlands and Mandy Rambharos of South Africa. This summary is produced by the SBSTA Chair under his own authority.

This summary aims to capture possible options for further consideration by Parties and Heads of Delegation. It is informal in nature, has no status, and does not provide negotiation text. It does not attempt to provide a record of all views expressed during the dialogue and in submissions, nor indicate the support each of the options appeared to have.

In relation to the topic of the dialogue, as at 20 October 2021, no group or Party, or observer had made an informal submission². Submissions made in 2021 by Parties during other informal technical expert dialogues/informal consultations covering the same or related issues are also referred to as necessary.

The informal technical expert dialogue

Interventions made responded to guiding questions provided by the SBSTA Chair:

Guiding questions:

- How can the buffer registry be implemented in respect of various indicators and what is its relationship to other Article 6 infrastructure?
- What methods of conversion could be used for ITMO transfers and for purposes of reporting GHG impact?
- What further guidance is needed in 6.2 decision text to ensure no double counting?
- How do these issues relate to the rest of the package (Article 6/the wider Glasgow outcome) and how could resolving these issues contribute to reaching consensus?

An informal technical information slide pack in relation to these issues was prepared by the secretariat.³

Points for further consideration

Interventions focused on a number of options for consideration, as set out below. In each case, the option has been introduced by at least one Party/group, but this summary does not seek to indicate how much support there is among Parties for each option, as Parties are familiar with the views

¹ Documents relating to Article 6 negotiations since 2016 can be accessed here:

<https://unfccc.int/process/the-paris-agreement/cooperative-implementation>

² <https://unfccc.int/process-and-meetings/the-paris-agreement/cooperative-implementation/submissions-informal-technical-expert-dialogues-on-article-6-of-the-paris-agreement#eq-2>

³ <https://unfccc.int/sites/default/files/resource/Art.%206%20presentation%20Non-GHG-ITED.pdf>

expressed in submissions and interventions. Options identified below are **bolded and placed together**. Non-bolded text represents proposals that did not appear to have alternative proposals or options. Argumentation is not provided in this note given the familiarity of Parties with this topic resulting from earlier work. In particular, reference is made to the SBSTA Chair summary note of the informal technical expert dialogue/informal consultations held on 11 June 2021.⁴

General

- Which non-GHG metrics
 - **As per COP25 3rd Presidency text (PT)**
 - **Some non-GHG metrics only**
- Implementation
 - **There are sufficient provisions in the COP25 3rd PT to enable non-GHG metric cooperative approaches to commence, and further work should be undertaken between CMA.3 and CMA.4**
 - **Further guidance needs to be elaborated by the CMA before non-GHG metric cooperative approaches may commence and it should be done by CMA.4.**
- Conversion
 - Which conversions, implications for trading
 - **Only like to like trades for non-GHG metrics are allowed such that no conversion is needed**
 - **Conversion between metrics and to understand GHG impact is to be worked on as part of SBSTA work plan (work plan addressing adjustment of GHG indicators to understand impact on GHG emissions):**
 - **Pending which, no trading can be done**
 - **Pending which, trading can be done only within the buffer/interim registry and use of such ITMOs is dependent on further guidance (and work plan covers non-like for like trade conversions)**
 - **Pending which, only like to like trades can be done**
 - **Pending which, Parties can use their own conversion factors/methods on an interim basis**
 - **Participating Parties may determine their own conversion factors/methods**
 - Which Parties undertake conversion
 - **The host Party does not undertake conversion of ITMOs issued in non-GHG metrics, but the using Party uses the ITMOs directly or undertakes a conversion with approved conversion methods**
 - **Depending on the metric of the NDC, one or both Parties may need to do a conversion**
 - **Both Parties may need to do a conversion to GHG, depending on the metric of the respective NDCs**

⁴ <https://unfccc.int/sites/default/files/resource/IN.SBSTA2021.i15b.pdf>
https://unfccc.int/sites/default/files/resource/Inf_note04_Article%206.pdf

- Work plan
 - How ensure that there is no increase in aggregate emissions as a result of the conversion process
 - Addressing where the emission reductions occur (i.e. ensuring the emissions factor of the host Party will be used transparently in accordance with IPCC methodologies)
 - Timing and method for the conversion from the non-GHG ITMOs into CO₂e emission reductions so that corresponding adjustments can be made to the emissions balance in CO₂e and the structured summary can be completed
 - How different baseline conditions in the transferring Party and in the acquiring Party impact any calculation

Implementing the buffer registry in the context of various indicators

- Buffer/interim registry (or another name that makes clear its functions)
 - One such for each non-GHG metric
 - That records and tracks transfers etc.
 - Enables corresponding adjustments
 - Shows conversions

Reporting and review

- Article 6 reporting
 - Initial report
 - Host Party to state the intent to transfer by referencing the non-GHG metrics
 - Using Parties explain how cooperative approaches meet all requirements of the guidance related to non-GHG metrics, including all safeguards (for example, on reporting, avoidance of double counting, ensuring environmental integrity)
 - Annual and regular information
 - The use of non-GHG metrics, as applicable
 - The baseline conditions in a narrative format
 - Elaboration on how ensuring that there is no increase in aggregate emissions between the two trading Parties with or without conversion, in a similar manner to GHG transactions
 - Application of corresponding adjustments in GHG
 - On aligning assumptions about GWP values between NDC and the cooperative approaches
 - Linked to the relevant indicators, method (for corresponding adjustments) and emission balances
 - Both participating Parties could/should use equivalent methods for corresponding adjustments and indicators of progress and achievement of NDC in the same non-GHG metric to enable the application of corresponding adjustments in a manner that is representative of the NDC
 - Connection to 77 (d)
 - Additional information as per decision paragraph 77 (d) (iii) includes a range of information on trading in relation to non-GHG indicators
 - Information on conversion
 - Accounting aspects such as cumulative averages and indicative trajectories

- Parties making use of non-GHG metrics would also need to report on GHG as per 77(d)
- Corresponding adjustments
 - Per the COP 25 3rd PT it is clear that paragraph 8 applies to non-GHG
 - Where additions and subtractions are clarified in a similar manner to paragraph 9 of the COP 25 3rd PT
 - By using the indicators
- Work plan on corresponding adjustments
 - Single-year targets and use of averaging or trajectories
 - Corresponding adjustments for single-year targets not leading to path of minimum effort
 - Multi-year targets
 - Parameters for representativeness
 - Non-GHG metrics – ensure that the unit of trade not being counted between two countries if one action addresses two parts of NDC
 - Relationship between non-GHG trading and national targets
 - What indicators could be used
- Review by A6TER
 - Corresponding adjustments to emissions on a yearly basis
 - Conversion methods as disclosed by Parties
 - Whether conversion methods are applied consistent with guidance

Relationship to other Article 6 infrastructure

- Each buffer/interim registry is integrated into the broader accounting and reporting system
- The centralized accounting and recording platform (CARP) records
 - The number of ITMOs, corresponding adjustments and the balance of ITMOs in non-GHG
 - The same information on non-GHG metrics as for GHG metrics
- Work plan on infrastructure
 - Work plan needs to address how it operates as a holding registry
 - Linking the buffer registry to other infrastructure
 - How the registries, the Article 6 database and the CARP will integrate capabilities to record information on non-GHG metrics

Relationship to the rest of the package (Article 6/the wider Glasgow outcome)

- The ability to engage in cooperative approaches with non-GHG metrics is important to the balance of Article 6.
- The use of non-GHG metrics have implications for the reporting as per paragraph 77 (d) of the annex to decision 18/CMA.1
