

Article 6 of the Paris Agreement: Informal Technical Expert Dialogues

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

September and October 2021



Guiding questions for this informal technical expert dialogue

- How can the **buffer registry** be implemented in respect of various indicators (that are used to track progress of NDCs) 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?



Content of this informal technical information slide pack

- Information on number of countries that submitted **non-GHG targets in the NDC**
- **Type of non-GHG metrics** in current/updated NDCs
- Current provisions in COP25 3rd Presidency text
- **Methods of conversion and examples**
- Linking indicators and non-GHG metrics
- Design of the buffer registry and implementing corresponding adjustment

All slides are without prejudice to the outcome of Article 6 negotiations



Non-GHG targets in the latest NDCs

NDC target type	Number of Parties (%)
Non-GHG quantitative targets	19 (10%)
Policy and action targets	29 (15%)
Both non-GHG quantitative targets and policy and action targets	7 (4%)
Either non-GHG quantitative targets or policy and action targets	41 (21%)

*The percentages above refer to the share of the Parties that submitted their NDCs with those target types by 30 July 2021

*Policy and action targets refer to the targets that are neither GHG nor quantitative



Parties with non-GHG targets in their latest NDCs account for 21%

Types of non-GHG listed in NDCs

- Renewable energy – clean energy exports (physical interconnections)
- Clean energy exports – international trading with no physical connections
- Energy efficiency certificates
- Forest cover targets – Acres of afforestation/reforestation etc.
- Policy Actions - Regulations and standards, taxes and surcharges, subsidies and incentives for various actions such as public transit, sustainable agriculture
- Blue carbon sequestration (depending on the details may be GHG and non-GHG)
- Addressing short-lived climate pollutants such as black carbon



Provisions in COP25 3rd Presidency text (6.2)

ITMO description

- Non-GHG metrics **consistent with NDC of the participating Parties**

Corresponding adjustments

- **Corresponding adjustments** consistent with guidance and relevant future decisions of the CMA.
 - **Requirements for application of corresponding adjustment per paragraph 8**
 - **NDC measured in non-GHG metrics** determined by participating Parties engaging in cooperative approach involving ITMOs **traded in the same non-GHG metric** shall apply **corresponding adjustments in a buffer registry** by applying an addition to and subtraction from the **annual level of the relevant non-GHG indicator** used by the Party to track progress towards the implementation and achievement of its NDC.
 - Each participating Party for which the **NDC metric is not same as metric of ITMO** shall apply **corresponding adjustment only on portion of NDC from which ITMOs are authorized** in accordance with relevant further guidance from the CMA
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Provisions in COP25 3rd Presidency text (6.2)

Initial report: Comprehensive information to **quantify the participating Party's NDC, or that portion of its NDC**, in a non-GHG metric determined by each participating Party.

Annual information: Annual information on ITMOs – authorization, first transfer, transfer, acquisition, holdings, cancellation, used towards NDCs, authorization for other international mitigation purposes, voluntary cancellation and specifying the cooperative approach, other international mitigation purposes, first transferring Party, using Party, gear in mitigation occurred, sector and activity type as applicable

Regular information (in BTR): Mitigation outcome is measured and transferred in a non-GHG metric, the information required by relevant future decisions of the CMA.

Annual information report (in regular information): For non-GHG metrics, annual adjustments, consistent with rules on corresponding adjustment and **further guidance** to be adopted by the CMA.

SBSTA to undertake further work on elaboration of further guidance: For non-GHG metrics determined by participating Parties, **including on methods for conversion between metrics** pursuant to Chapter III of the annex (Corresponding Adjustments) and Chapter IV of the annex (Reporting) by no later than its third session.

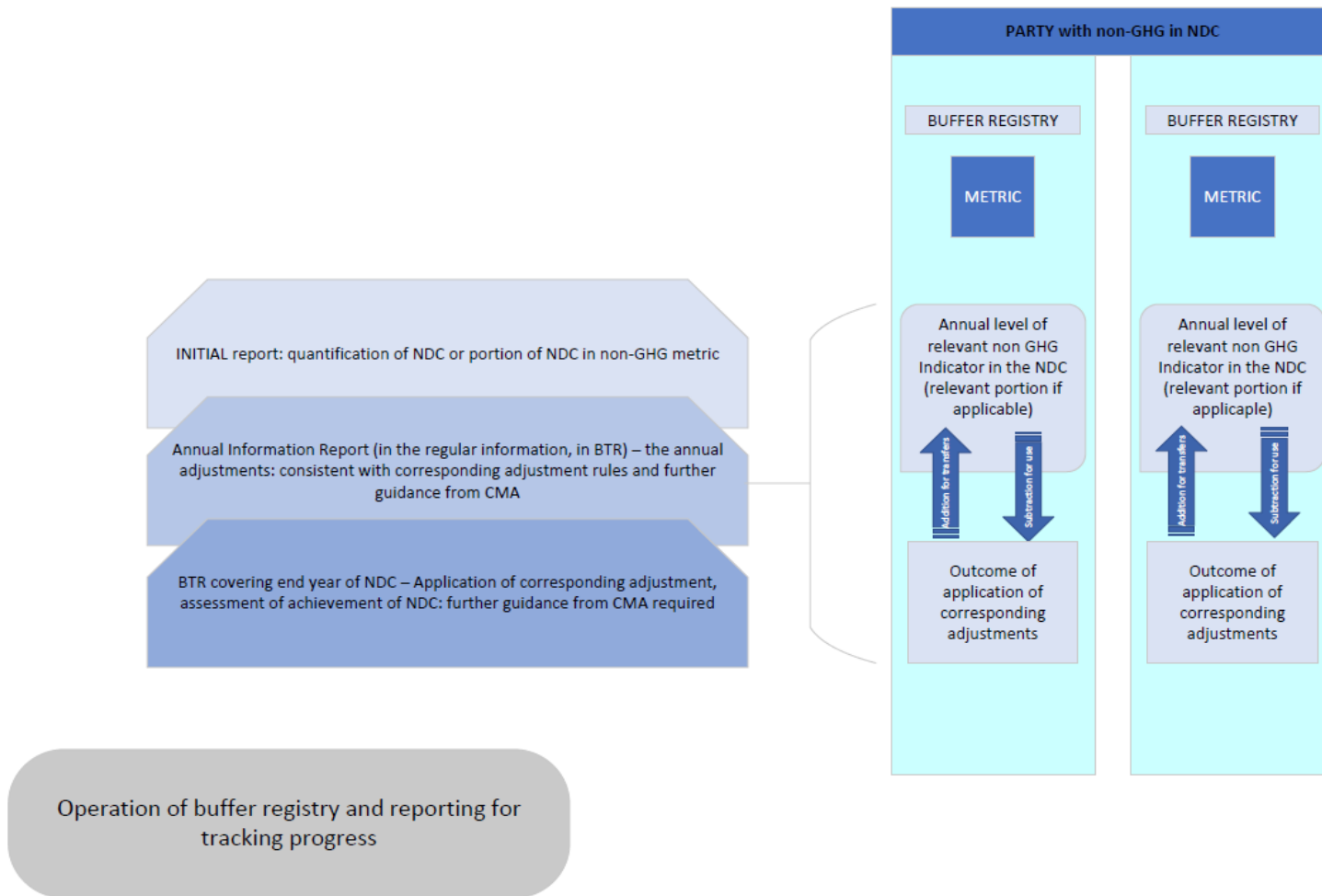


Possible conversions that may be needed

Scenario	First Transferring Party	Conversion Needed	Using Party	Conversion Needed
1	ITMO transferred in metric of the first transferring Party NDC (indicator)	No	ITMO acquired and used in metric of the using Party NDC (indicator)	No
2	ITMO transferred in metric consistent with the metric of the first transferring Party NDC (indicator)	No	ITMO acquired and used in metric not consistent with the using Party NDC (indicator)	Yes
3	ITMO transferred in metric not consistent to the metric of the first transferring Party NDC (indicator)	Yes	ITMO acquired and used in metric of the using Party NDC (indicator)	No
4	ITMO transferred in metric not consistent to the metric of the first transferring Party NDC (indicator)	Yes	ITMO acquired and used in metric not consistent with the using Party NDC (indicator)	Yes



Buffer registry per COP25 3rd Presidency text



Indicators and non-GHG metrics (18/CMA.1)

- Identify indicator(s) selected to track progress towards implementation and achievement of NDC
 - **Indicators shall be relevant to a Party's NDC**
 - may be **either qualitative or quantitative**. (para 65)
- Indicators could include, **as appropriate, for example**: net GHG emissions and removals, percentage reduction of GHG intensity, **relevant qualitative indicators for a specific policy or measure, mitigation co-benefits of adaptation actions and/or economic diversification plans or other** (e.g. hectares of reforestation, percentage of renewable energy use or production, carbon neutrality, share of non-fossil fuel in primary energy consumption and **non-GHG related indicators**) (para 66)
- Provide **information for each selected indicator** for the reference point(s), level(s), baseline(s), base year(s) or starting point(s), **update information in accordance with any recalculation of GHG inventory, as appropriate** (para 67)
- Provide the **most recent information for each selected indicator** above **for each reporting year** during implementation period of NDC (para 68)
- **Compare the most recent information for each selected indicator** with the information provided pursuant to paragraph 67 above to track progress made in implementing its NDC under Article 4 (para 69)
- **Description of each methodology and/or accounting approach** used, as applicable for targets, construction of baselines to extent possible, **each indicator** (para 74)



77 (d) (of 18/CMA.1) and non-GHG – structured summary

IF

- Participate in cooperative approaches that involve the **use of ITMOs towards an NDC**, or
- Authorize the **use of mitigation outcomes for international mitigation purposes other than achievement of its NDC**,

THEN

- Provide **in structured summary consistent with decisions on Article 6**:
- **The annual level of anthropogenic emissions by sources and removals by sinks covered by the NDC on an annual basis reported biennially**;
- An **emissions balance** reflecting the level of anthropogenic emissions by sources and removals by sinks covered by its NDC adjusted on the basis of corresponding adjustments undertaken by effecting an addition for internationally transferred mitigation outcomes first-transferred/transferred and a subtraction for internationally transferred mitigation outcomes used/acquired, consistent with decisions adopted by the CMA on Article 6;
- **Any other information consistent with decisions adopted by the CMA on reporting under Article 6**;
- (**Information** on how each cooperative approach promotes sustainable development; and ensures environmental integrity and transparency, including in governance; and applies robust accounting to ensure inter alia the avoidance of double counting, **consistent with decisions adopted by the CMA on Article 6**.)



The cooperative implementation webpage:

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

