

Capacity-building work programme on Article 6.2 and 6.4

Hybrid workshop

Bonn, Germany, 06 October 2022



CAPACITY BUILDING MANDATE

Article 6.2 Capacity-building programme including through RCCs in consultation with parties

- a) Support the development of institutional arrangements, including reporting
- b) Help Parties ensure that co- op approaches support ambition;
- c) Assist the LDC and SIDs in meeting the participation requirements.

Article 6.4 – Capacity building programme including RCC in consultation with 6.4 SB and parties

- a) Establish the necessary institutional arrangements to implement the requirements;
- b) Develop the technical capacity to design and set baselines for application in host Parties;
- c) Capacity-building in developing countries to apply the Article 6.4 mechanism, and support for the transition – CMP mandate



Steps undertaken so far....

To support the needs assessment, the secretariat completed four initiatives:

- a) **Conducted three virtual regional dialogues** on Article 6 organized by UNFCCC secretariat through RCCs;
- (b) **Launched a survey on capacity-building needs** on cooperative approaches referred to in Article 6 of the Paris Agreement that was rolled out to diverse stakeholders by the UNFCCC secretariat, including through RCCs;
- (c) **Presented the survey results and validated the status of the work plan with the Parties** (e.g., SB 56 side event, designated national authorities (DNA) forum meeting at the margins of the Climate weeks in Latin America and Africa.
- (d) **Presented the workplan** to the Article 6.4 SB for their inputs.



I. Regional Dialogues on Art. 6 Capacity Building Needs

Key Messages | Africa



- 1. The following areas were stressed:**
 - Authorization of ITMOs;
 - Circumstances of LDCs and SIDS.
 - Managing corresponding adjustments.
 - Setting baselines.
 - Robust reporting
- 2. A request for UNFCCC to **develop a blueprint document** or a framework document detailing the steps of the implementation process for Article 6.2, Article 6.4, and Article 6.8.**
- 3. The parties were requesting additional support in **communicating to the Private Sector** the potential of carbon markets under Article 6 and with help to rebuild trust.**
- 4. Limited budgets calls for **innovative approaches** to ensure that the governments can **enable private sector participation** without causing extra costs to itself.**



I. Regional Dialogues on Art. 6 Capacity Building Needs

Key Messages | LAC



1. Support is needed to understand **linkages between Article 6 and Carbon pricing instruments**.
2. Support for development and implementation of **legal institutional arrangements, including reporting**.
3. Due to the **connection of Article 6 with NDCs** makes it important for countries to have information on **long term trajectory for how it will help achieving their NDC, and modeling capacities of what information countries need to use**.
4. **On Article 6.8 a common doubt was how the mechanism is interacting with REDD+**, countries looking into framework for 6.8 regarding results-based payments.
5. **Adaptation finance** was mentioned to include activities into 6.8 without involving transfer of mitigation outcomes.
6. **Workshop activities with case solving were proposed** as useful instruments to address specific cases in the region.



I. Regional Dialogues on Art. 6 Capacity Building Needs

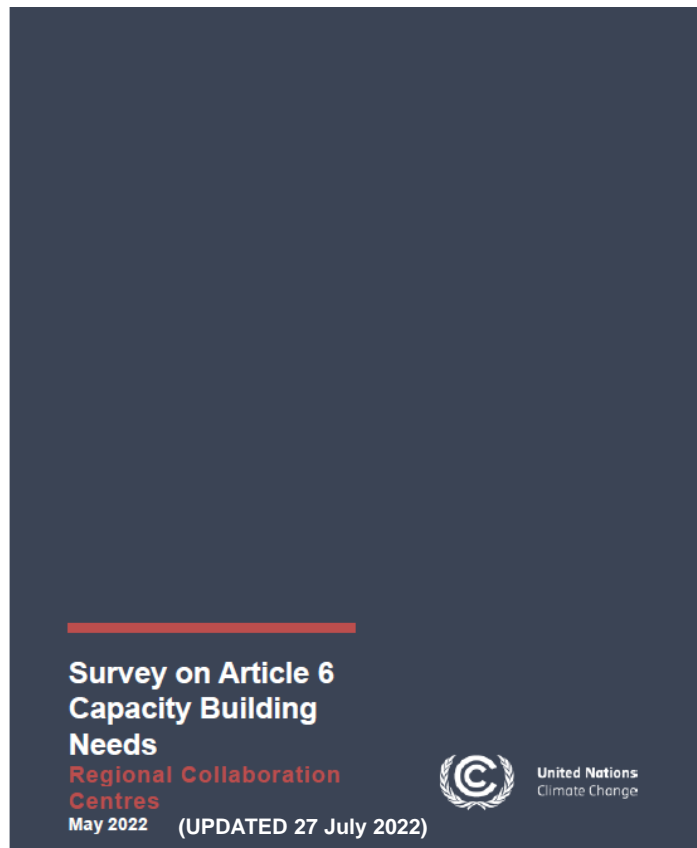
Key Messages | Asia-Pacific and MENA



1. **Aligning national mitigation activity**, crediting in particular, standards with environmental integrity and sustainable development requirements of Article 6.
2. **Assessing required improvement to national registry for tracking ITMOs** in accordance with the guidance for registries (to be adopted by CMA 4) and for providing necessary information for annual reporting.
3. **Developing baseline approaches** and other methodological requirements to be applied for Article 6.4 activities.
4. **Developing national arrangements for accreditation of operational entities (DOEs)** for Article 6.4 (not only for government agencies, but also of the entities of each country).
5. **Transition from CDM to Article 6.4**, private sector would like to know how to register with UNFCCC and earn credits.



II. Survey on Art. 6 Capacity Building Needs



Key Findings



II. Survey on Art. 6 Capacity Building Needs

About Respondents



Numbers

Valid answers
without evaluating
duplicated users:

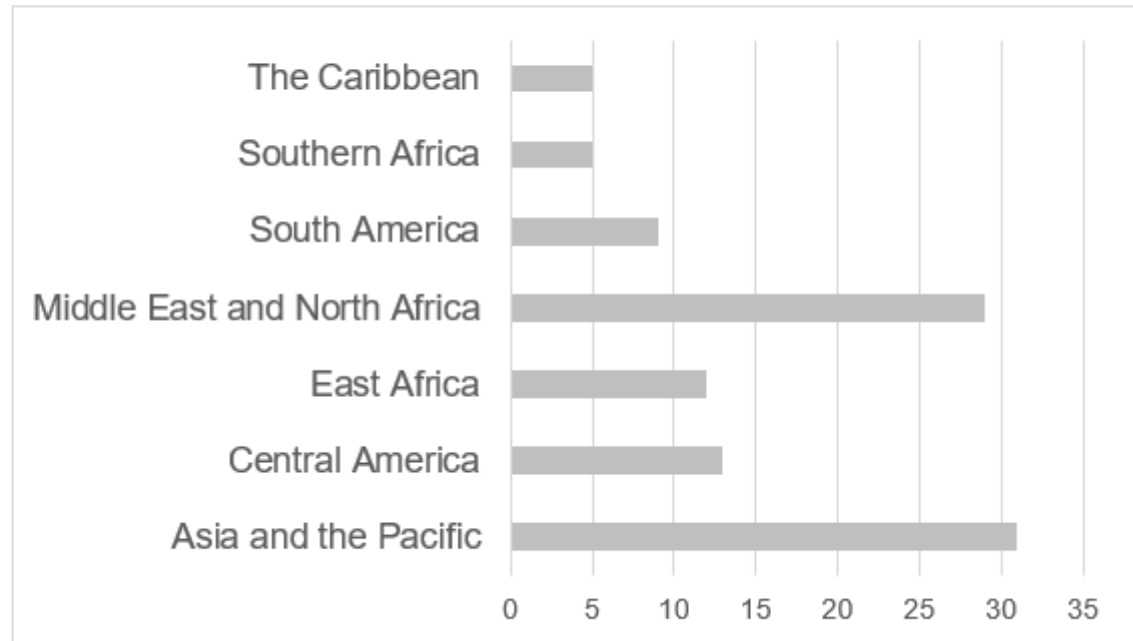
133

**government
official?**

No **40**

Yes **93**

Regional distribution (%)



Priorities for the capacity-building work programme

Row Labels	Ranking
General outcomes of the COP26 decisions [and SB56 outcomes] in relation to Article 6.	24
ARTICLE 6.2: Supporting Parties on the development of institutional arrangements, including in relation to reporting.	19
ARTICLE 6.2: Supporting Parties ensure that its participation in the cooperative approach and the authorization, transfer and use of ITMOs is consistent with the guidance on cooperative approaches and relevant decisions.	13
ARTICLE 6.4: Develop the technical capacity to design and set baselines for application in host Parties.	12
ARTICLE 6.4: Assisting the LDCs and SIDSs in meeting the participation requirements.	9
ARTICLE 6.4: Supporting Parties on the development of institutional arrangements, including in relation to participation and authorization.	7
ARTICLE 6.4: Supporting Parties on the development of institutional arrangements, including in relation to reporting.	5
ARTICLE 6.2: Assisting the LDCs and SIDSs in meeting the participation requirements.	5
ARTICLE 6.2: Helping Parties ensure that cooperative approaches in which they participate support ambition.	4
ARTICLE 6.4: Helping Parties ensure that the mechanism in which they participate support ambition.	3



Approach to the capacity-building work programme

- The capacity building work programme is being developed with the aim to:
 - (a) Identify the institutional aspects** such as strengthening the infrastructure and knowledge base;
 - (b) Ensure the availability of well-structured information**, which is easily understandable by all stakeholders,
 - (c) Enhancement of technical capacity for determining baseline**, monitoring and reporting, etc.
 - (d) Identify appropriate types and formats of capacity-building** (e.g. workshops, knowledge products, knowledge-sharing platforms, frequently asked questions (FAQs), peer-to-peer learning).
- **It will include a wide array of tools** such as courses, training workshops, help desks, on-the-job trainings and direct technical assistance. It should also include resource materials such as guidance documents, videos and other materials. Avoid duplication of efforts and achieve efficiency gains.



Article 6 readiness

- Integration of Article 6 into NDC implementation plans;
 - a) Case studies/best practices for detailing the mitigation measures included in the NDCs
 - b) Approaches for modelling of marginal abatement costs of mitigation measures where feasible with a view to strengthen the technical capacity i.e. supporting the host country in developing a carbon market
 - c) Strategy to identify sectors and mitigation measures suitable for international transfer vs use for domestic target, considering any availability of climate finance (i.e., climate finance instruments, conditions, pre-requisites) .
 - d) Co-benefits of the activities for sustainable development priorities need to be identified and accounted for.

Components of CB

Article 6 CB library

- UNFCCC website including published papers, policy briefs, guidebooks, tool kits and excel or word templates, include a flow chart for easy access based on activity cycle or target group.

Article 6 Guidance to facilitate Parties' Institutional Arrangements for Article 6 Participation

- National governance of Article 6,
- Practical procedures for Article 6 governance:
- Governance structure to steer processes,
- Assign responsibilities for strategic decision-making; technical steering
- Oversight (e.g., a designated national authority; inter-ministerial body)



Components of CB

- ❑ **Article 6 CB for private sector and financial institutions**
 - a) Hand on training related to participation.
 - b) Templates of Project identification notes etc..
- ❑ **Awareness raising on A.6 benefits**
 - a. Create awareness-raising knowledge products on the opportunities for and benefits of engaging in carbon market mechanisms in the context of NDC implementation, including supporting greater ambition for climate action.
- ❑ **Article 6 dialogues**
- ❑ **Article 6 registration process, registry functionalities, Transparency and CA**
- ❑ **Article 6 SD benefit Assessment and reporting tools (voluntary)**
- ❑ **Article 6 carbon Bazar**



Components of capacity building – Outputs

- **Development of Knowledge development tools** – this is aimed at improving global knowledge, supporting reflection and ownership, and preparing for implementation of A.6. This could possibly include toolkits and webinars on selected topics.
- **Training** – To be designed to raise awareness or build skills and expertise, as appropriate, on key issues in the implementation of the A.6 guidance and modalities and procedures requirement and their effective use.
- **Technical assistance** – A customized technical assistance that encompasses for instance support in drafting relevant authorization, tracking, establishment of infrastructure, development of baseline etc.



Type of the CB activities

- Providing access to repositories of information and resources and publication materials (for example, databases, libraries and web sites, creating FAQs)
- Webinars on Article 6 implementation.
- Regional and Global Trainings (public, customized or on-line)
- Consultation with parties through RCCs (for example facilitating, expert advice and arranging for conducting research)
- Coordinating alliances
- Workshops organized in the margins of the All-regional climate weeks, SB meetings etc.



Timeline

The period of implementation for the capacity-building work programme is envisaged to be **three to five years**:

Phase 1: focus on creation of **awareness and readiness of the host Parties for Article 6 implementation**; it is proposed that Phase 1 of implementation be undertaken within the first year.

Phase 2: would consist of **continuous capacity-building** activities and would run for two to four years after successful implementation of Phase 1.



FEEDBACK FROM THE A.6.4 SB

- Time frame: Include a time frame for the different elements identified for CB
- Cross-coordination of initiatives inside and outside UNFCCC,
 - Identify synergies of activities with other programmes and initiatives,
 - coordinate and partner with others, including centers of excellence, universities, think tanks and others.
- Align the capacity-building plans with the Supervisory Body workplan, where appropriate.
- Have a programmatic approach over a period of time;
- Have regular reviews of the implementation and effectiveness of the programme and indicators to assess progress and gaps;
- Identify and support capacity building activities that are tailor made to different coverage namely local, National, Regional and for global level.
- Identify whenever possible options to enhance communication and innovative tools, such as web-based training materials, FAQs and videos.



Next steps

Information provided in these reports (Outcome of three regional dialogues, survey, outcomes from regional DNA forums) and the feedback received from 6.4 SB and parties today will serve as

- Major input in the on-going process of developing a capacity building work programme on Article 6 by the secretariat to launch the CB program in COP 27
- The secretariat will scale up implementation including through the RCCs.



Thank You

