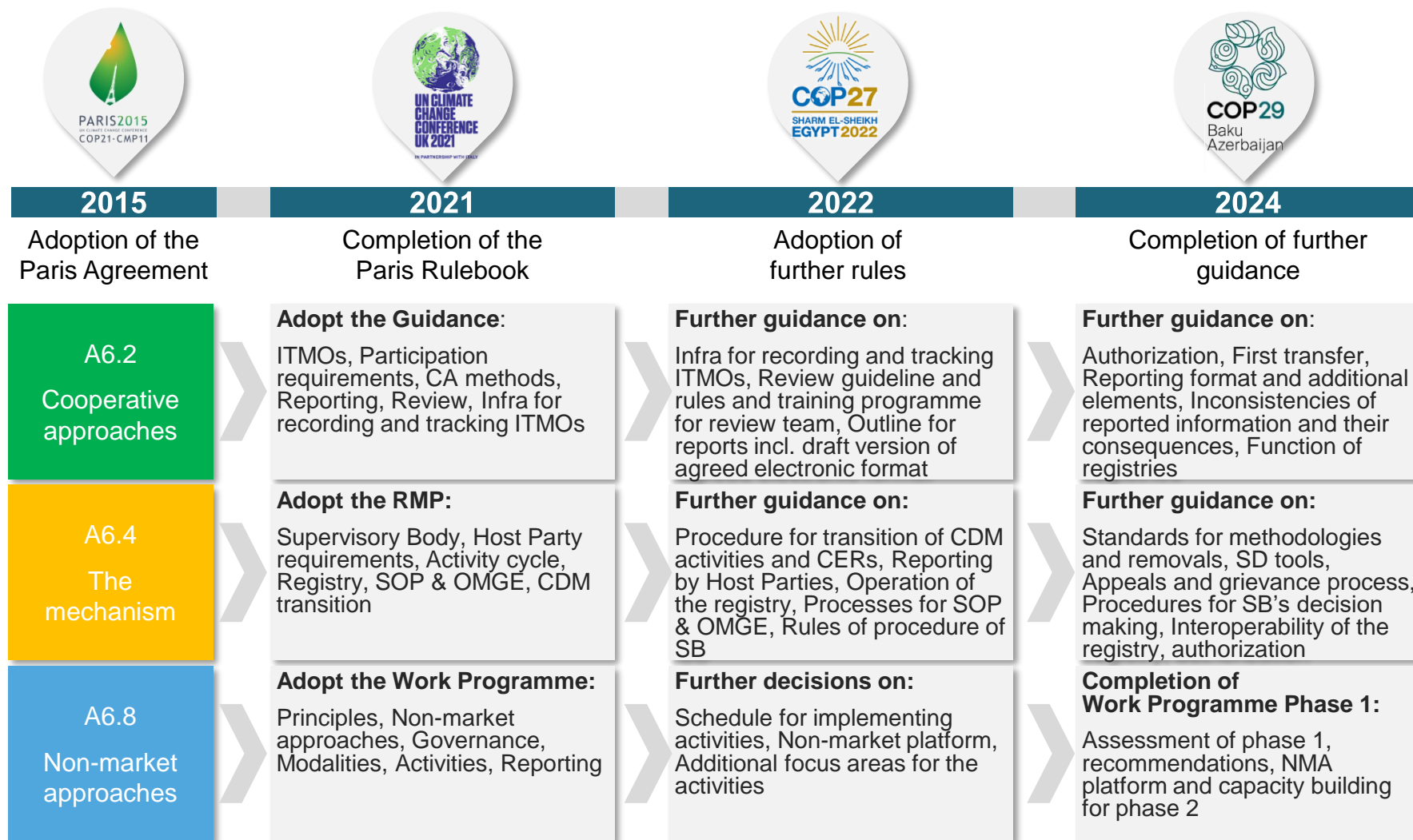


Key Outcomes from COP29: Article 6 of the Paris Agreement



9-year journey for the full operationalization of Article 6



Article 6: co-operation towards NDCs

Cooperative approaches

Articles 6.2 and 6.3 and decision 1/CP.21, paragraph 36

Bilateral/multilateral cooperation between interested countries, involving transfers of the mitigation outcomes produced through such cooperation

The mechanism

Articles 6.4 to 6.7 and decision 1/CP.21, paragraphs 37 and 38

To be operated centrally (UNFCCC secretariat), credits emission reductions by public and private sector actors, allows for international transfer of those credits

Framework for non-market approaches

Articles 6.8 and 6.9 and decision 1/CP.21, paragraphs 39 and 40

Facilitates climate action through international cooperation focused on sustainable development and poverty eradication (and does not involve trading)



Article 6.2: Key Outcomes – Overview

- **Clarification of existing guidance (Decisions 2/CMA.3 and 6/CMA.4):**

- Over 30% of the paragraphs in the Baku decision A6.2 focus on clarifying previous guidance

- **Further decisions for the full operationalization of A 6.2:**

- Adoption of detailed guidance on critical elements such as authorization, first transfers, and registries

- **Enhancement of environmental integrity and transparency:**

- Additional guidance on reporting, including their sequence and consequences, to avoid double counting and ensure transparent disclosure for stakeholders



Article 6.2: Key Outcomes – Authorization

- ❑ Scope : Clarifies it contains three components - cooperative approaches, ITMOs, and entities
- ❑ Content: what shall the Auth statement contain:
 - Unique identifier (CARP), Name of entity, use covered by authorization, vintage, metrics including conversation, sectors, activities and its types.
 - Date and duration including , final date for issuance, use and cancellation.
 - Cross reference to regulations, frameworks, standards, methodologies
 - Condition for change in authorization, including process to avoid DC.
 - Tracking infrastructure identification, underlying framework, regulations, track participation and transaction of entities.
- ❑ Format - Voluntary standardized template by the Secretariat
- ❑ Changes – Shall not apply to first transferred ITMOs and consistent with the conditions elaborated in Authorization statement, including avoidance of the DC.
- ❑ Transparency - CARP provide publicly accessible copies of Auth, changes, statements, updates



Article 6.2: Key Outcomes

- **Reporting**

- Provide supplementary information to be included in the Initial Report (IR)
- Request the parties to use the Updated the Agreed Electronic Format for reporting annual information
- Clarify the sequence and timing between the IR/UIR and annual and regular information

- **Application of first transfer**

- Clarify the timing and sequencing between authorization and first transfer (NDC or OIMP, only OIMP);
- Specify the application of first transfer of ITMOs for OIMP with robust arrangements by the first transferring Party including a recording deadline (no later than 31 December of the year prior to the submission of the BTR)
- Specify the voluntary contribution to the AF and OMGE as first transfer (CA will apply)



Article 6.2: Key Outcomes

- **Addressing the inconsistencies**

- Adopt the tagging approach* for ITMOs under the review process and transparent disclosure for stakeholders

- * e.g., “no inconsistencies identified”, “inconsistencies identified”, “not available”

- Specify the Parties’ responsibility to address the inconsistencies and their consequences, requesting that ITMOs identified as inconsistent ‘not be used.’

- Decide on ‘significant’ or ‘persistent’ inconsistency to be identified and addressed by A6 technical expert review team

- **Registries to track ITMOs**

- Clarify the connection between the A6.4 mechanism registry and party registry – Auth A6.4 ITMOs to IR

- A6.2 participating Parties’ registries with ‘pull and view’ function on holding and action history of the for interoperability

- Add new registry services, including issue of MOs on-demand basis



Article 6.2: Implications and future work plans

- **Need to swift transition for the full-implementation phase**

- The Baku decision on A6.2 will provide a clear signal to Parties and non-Party stakeholders to participate in A6.2 with enhanced environmental integrity and transparency

- The Secretariat will provide capacity building programmes, especially on reporting and infrastructure, for participating Parties, with a particular focus on developing Parties.

- Starting from SB 62 (June 2025), a dialogue to exchange information and experiences on Article 6.2 will convene in conjunction with each SBI session (twice a year), ensuring the participation of non-Party stakeholders.

- No further negotiations for the guidance until 2028. The review process for the existing guidance, including unresolved issues, will resume in 2028.

- **A6 should be leveraged for new NDCs 3.0 to raise ambition levels and facilitate their full implementation**



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Article 6.4: Key Outcomes

- **CMA took note of the methodological and removal standards of the PACM – SBM, ask to implement and seek guidance as necessary from CMA**

“Methodologies and removal” Standard

- Downwards adjustment in baseline approaches:
 - Applies to 36 (iii) – existing actual or historical emissions;
 - Applies to 36 (i) and (ii) – BAT and ambitious benchmark (unless decided otherwise by the SBM);
- Default approach for additionality: financial additionality (barrier analysis and performance-based approach as alternatives); Regulatory analysis, prior consideration and avoidance of lock-in are always required;
- Article 5 para.2 activities of the PA are allowed under 6.4; also link to CP 19 decisions
- Other principles: NDC, LT-LEDS, temperature goal of PA: simple demonstration of alignment; encouraging ambition over time; real, transparent, conservative and credible; below BAU; contributing to equitable sharing; etc.
- **Defines removals** avoidable reversals, and unavoidable reversals; how removals are calculated; MRV requirements, Addressing reversals, post crediting monitoring with principle of monitoring unless risk of future reversals negligible and/or remediated);



Article 6.4: Key Outcomes

- **A6.4 PACM registry** : Participating party registry may voluntarily connect to MR; connection enable transfer of **AUTHORIZED A.6.4 ER**; Ability to also pull and view data and information on holdings, and action history of Authorized A.6.4 ERs.
- **Transition:** A/R project activities and PoA may transition from the CDM to the A6.4 mechanism. Request for transition with approval from A6.4 DNA needs to be received by 31.12.2025
- **LDC and SIDS:** exempt from SOP for adaptation, but they may choose not to....
- **Operation of the A6.4:**
 - Consideration of international environment agreements in A6.4
 - Balance between continuous improvement to reflect best available science and regulatory stability for standards/tools/procedures
- **Methodological work:** Expedite the work *additionality, baseline, leakages, standardized baselines, suppressed demand, non permanence and reversals, and revision of CDM methodologies*



Article 6.4: Key Outcomes

- **Authorization:** Clarification that statement, the A6.4 mechanism can:
 - (i) Authorize in full or part or (correspondingly adjusted) A6.4ER
 - (ii) Does not Authorize
 - (iii) Allow Mitigation Contribution Units (MCUs) ...while authorization may be done at a later stage (before being transferred in or out of the mechanism registry (first transfer).
 - (iv) UNFCCC sec to develop template for Authorization.
 - (v) PACM SBM to determine need for a timeline based on experience and report to CMA.



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Article 6.8: Key Outcomes

Expedited and simple assessment of Phase 1 of work programme activities completed and recommendations made for Phase 2

Phase 1 (2023-24)	Phase 2 (2025-26)
<ul style="list-style-type: none">• All relevant elements of work programme have been identified• NMA Platform and user manual have been developed• No NMAs recorded yet on the NMA Platform, but one has been submitted	<ul style="list-style-type: none">• Need to continue work on NMAs within all relevant work programme activities• Recognize importance of linking climate action with biodiversity conservation and sustainable development• Broaden spin-off group participation by engaging public and private stakeholders, focusing on knowledge sharing on NMAs• Continue inviting representatives of Indigenous Peoples and local communities to in-session workshops• Continue to improve workshop quality by trialing new dynamic discussion formats• Interested Parties and stakeholders invited to conduct outreach on NMAs to engage a broad range of non-Party stakeholders



Article 6.8: Key Outcomes

Recommendations on the NMA Platform

- Interested Parties continue to be invited **to notify the secretariat of their national focal points for Article 6.8** to enable the recording of their NMAs on the NMA Platform
- Parties and observers invited to **submit by 31 March 2025** views on:
 - a) Barriers and solutions for utilizing the NMA Platform
 - b) Engagement with the NMA Platform
 - c) How NMAs can support the implementation of NDCs

Capacity-building

Capacity-building for **all interested stakeholders to continue in Phase 2** of the work programme, prioritizing national focal points

