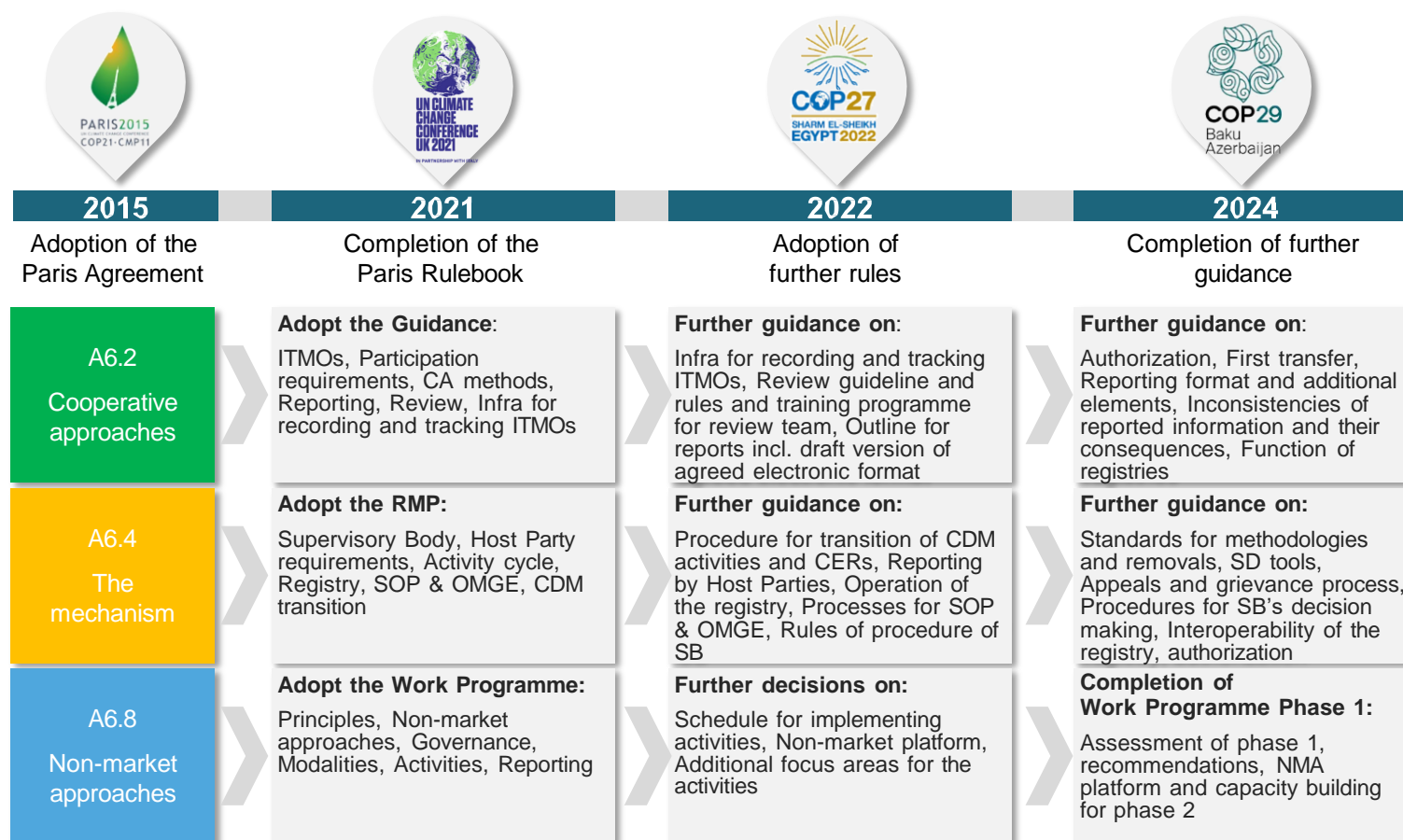


# Key Outcomes from COP29: Article 6 of the Paris Agreement



## 9-year journey for the full operationalization of Article 6



## Article 6: co-operation towards NDCs

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### **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 – Authorization

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- ☐ 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

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- **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

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- **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

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- **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

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- **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

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- **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

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- **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.



## Updates on Article 6

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- **78%** of the Parties to the Paris Agreement indicate that they plan to, or may, **use at least one type of Article 6** cooperation in their NDCs<sup>[1]</sup>

### A6.2

- **7 Parties** submitted **A6.2 Initial Report**<sup>[2]</sup> (as of 10 Dec. 2024)
- **6 Parties** **underwent A6 Technical Expert Review** (TER) in Oct. 2024
- **2 Parties** have already submitted **authorization statements**

### A6.4<sup>[3]</sup>

- **95+ Parties** submitted a designated national authority (**DNA**) for the PACM
- **20+** designated operational entity (**DOE**) submitted application
- **1000+ prior notification** for **new activities** submitted
- **10** approval **transition activities**
- **10 Parties** submitted the **host Party fulfillment forms**
- **1500+** transition activities completed global stakeholder consultation process under 6.4



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<sup>[1]</sup> 2024 NDC Synthesis Report by the UNFCCC secretariat: <https://unfccc.int/documents/641792>

<sup>[2]</sup> <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement/cooperative-implementation/carp/submitted-reports#initial-and-updated-reports>

<sup>[3]</sup> <https://unfccc.int/process-and-meetings/the-paris-agreement/article-64-mechanism>

## A6 and the UNFCCC Secretariat's role for Global Climate Action

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- **Need for a swift transition to the full-implementation phase:**
  - ❖ Clear signal to Parties and non-Party stakeholders to participate in A6 with enhanced environmental integrity and transparency provisions
  - ❖ The Secretariat will provide capacity building programmes:
    - Institutional Arrangements
    - Participation requirements (Recording, Reporting and tracking Infrastructure)
    - Baseline approaches for 6.4 methodologies
    - Participation in Article 6 increase Ambition ( dialogue with each SBI)
  - ❖ Infrastructure CARP, A6 Database, and International registry in 2025
  - ❖ Review of existing guidance, RMP only by 2028
- **A6 as an enabler for leveraging new NDCs 3.0 to raise ambition levels and facilitate full implementation**
  - ❖ The year 2025 marks the 10th anniversary of the adoption of the Paris Agreement, the 30th session of the UNFCCC COP, and the due date for submission of new NDCs 3.0 aimed at 2035
  - ❖ International carbon markets under Article 6 will play a pivotal role in raising the ambition of NDCs 3.0 and accelerating their implementation across nations



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



## Article 6.8: Key Outcomes

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### 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

