

Overview progress related to the implementation of Article 6 of the Paris Agreement

CGE – Regional webinar

03 July 2023



Article 6: Cooperative Implementation of NDCs

Cooperative approaches

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

Bilateral/multilateral cooperation between interested countries, involving the use of **internationally transferred mitigation outcomes** towards NDCs

The mechanism

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

Centralized UNFCCC baseline-and-credits mechanism for public and private sector actors, creates a new unit (A6.4ERs)

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 transparency regime

The rules for voluntary cooperation involving ITMOs were elaborated in Glasgow (2021)



PARTICIPATION REQUIREMENTS

That Parties need to meet in order to engage in voluntary cooperation involving ITMOs



ACCOUNTING RULES

Rules for ITMO lifecycle:

- Authorizing
- Accounting
- Transferring



REPORTING

Reporting outlines and tables:

- Qualitative reporting (Cooperative approaches description)
- Quantitative reporting (ITMO data)



REVIEW

- Review teams / experts
- Training and certification
- Review process
- Review report
- Process for dealing with inconsistencies



DIGITAL INFRASTRUCTURE

Registries:

- Party registries
- International registry
- Interoperability

Reporting tools:

- Centralized accounting and reporting platform (CARP)
- Article 6 database (as part of the CARP)

Glasgow also elaborated the work-programme for operationalizing Article 6.2



Article 6.2 outcomes Glasgow - Sharm el Sheikh - Dubai

Reporting



INITIAL REPORT

Initial report outline, which allows Parties to start reporting on cooperative approaches



REGULAR INFORMATION

Regular report outline, which allows Parties to report on progress and update information from the initial report with each biannual transparency report



DRAFT AGREED ELECTRONIC FORMAT

A draft version of the annual electronic format, which Parties are encouraged to test and provide feedback on

Review



REVIEW PROCESS GUIDANCE

Review guidelines were adopted in order to provide structure and timelines to Article 6 reviews



REVIEW REPORT OUTLINES

Outlines for the Article 6 review reports of the initial report and regular information that detail the contents of Article 6 review outcomes



TRAINING PROGRAMME

An outline of the training programme was agreed with the intention to develop courses for Article 6 reviewers, with an initial version of training courses planned for the end of 2023



Article 6.2 outcomes from Glasgow - Sharm el Sheikh - Dubai

Infrastructure



REGISTRIES

Guidance on registries and the international registry, including on ITMO unique identifiers and principles for interoperability, which enables Parties to build registries to record and track ITMOs



REGISTRY ADMINISTRATORS' FORUM

The launch of the registry administrators' forum to facilitate discussions on recommended practices for registries



REPORTING TOOLS

Guidance on the Article 6 database and centralized accounting and reporting platform (CARP) to support transparency by housing submitted documentation on cooperative approaches and to check consistency in reported transactions

Capacity Building



SUPPORT

Capacity building programme, including 2 manuals: (1) for the Article 6 database and the centralized accounting and reporting platform (CARP) and (2) a manual containing illustrative elements of information for reporting as per decision 2/CMA.3, annex, paragraphs 18–22



TECHNICAL PAPER

Two technical papers will be produced to further understanding on the initial report preparation and the funding of infrastructure requirements



WORKSHOPS


Workshops on reporting elements to further Parties' understanding of how to utilize the initial report and agreed electronic format



Article 6 Reporting Overview

← → ↻ 🏠 unfccc.int/process/the-paris-agreement/cooperative-implementation

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Climate Change

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Process and meetings > The Paris Agreement > The Paris Agreement > Cooperative Implementation

Content

Cooperative Implementation.



Credit: Kiara Worth, IISD

Stakeholder Interaction

Relevant Documents

Related Links

Centralized accounting and reporting platform (interim solution)

Background




Article 6 Reporting Overview

← → ↻ 🏠

unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement/cooperative-implementation/centralized-accounting-and-reporting-platform

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The Paris Agreement > The Paris Agreement > Centralized accounting and reporting platform (...)

Content

Centralized accounting and reporting platform (interim solution).

Submissions pursuant to decision 2/CMA.3, annex, chapter IV (Reporting)

With decision 6/CMA.4, paragraph 28, the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) requested the secretariat to provide an interim solution by January 2023 for the submission of information pursuant to decision 2/CMA.3, annex, chapter IV (Reporting), until the centralized accounting and reporting platform and the Article 6 database referred to in chapter VI (Recording and tracking) of the annex to the same decision are released.

This interim solution enables Parties participating in cooperative approaches referred to in Article 6, paragraph 2 of the Paris Agreement to make submissions and the secretariat to publish non-confidential information pursuant to decision 2/CMA.3, annex, paragraph 24.

According to decision 6/CMA.4, paragraph 36, participating Parties are encouraged to prepare their initial reports and updated initial reports in accordance with the outlines contained in annex V of the same decision. For that purpose, the reporting template available in tab "Templates" below may be used.

National Focal Points of participating Parties can make submissions [here](#). Submissions are required in PDF format for publication purposes. Parties are strongly encouraged to make submissions also in word version for further processing in accordance with decision 6/CMA.4, annex I, paragraph 27.

Assistance is available through: CARP-support@unfccc.int.

Related Information

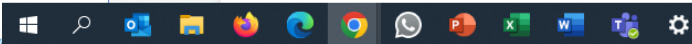
Related links


Templates

Template for the initial report and updated initial report referred to in decision 2/CMA.3, annex, chapter IV.A (Initial report)

Download template here

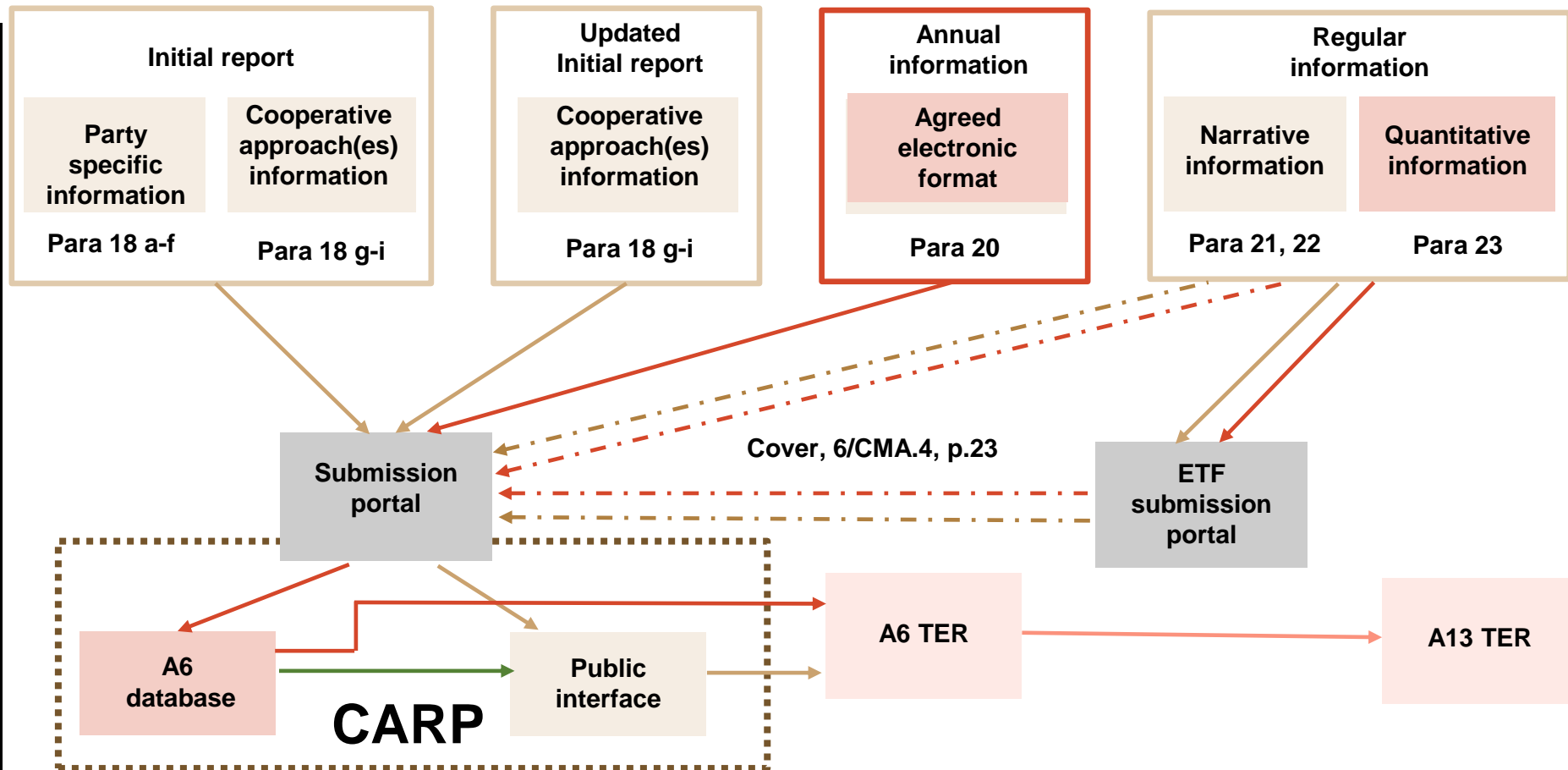
Submitted reports





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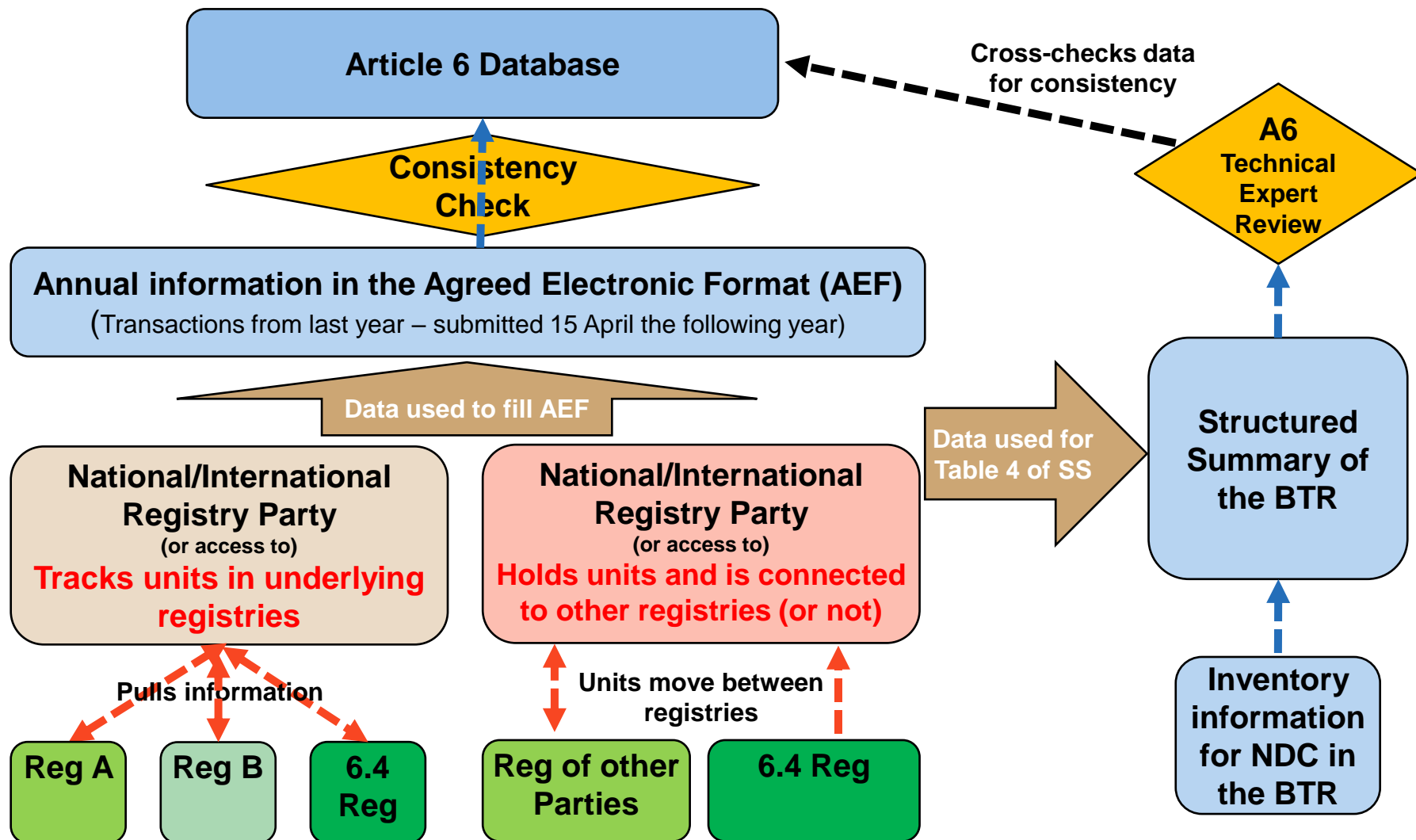
Article 6 Reporting Overview



Unless otherwise specified, references refer to 2/CMA.3



Reporting and Tracking of ITMOs in Article 6



Accounting for Article 6 in the BTR Structured Summary

Note: The table below is NOT the full Table 4 and relevant rows have been extracted for illustrative purposes of the **emissions-based approach** and does not include non-GHG account or sub-elements for a portion of NDC

Element of Table 4 of the Structured Summary	2021 (Year 1)	2022 (Year 2)	2023 (Year 3)	20n	2030 (End Year)
Indicator(s) selected to track progress of the NDC	To avoid double counting, annual emissions balance is used in the calculation of the annual value of the indicator (when GHG-based)				
Annual emissions and removals covered by its NDC	Starting balance of emission from inventory and scope of NDC coverage*				
Annual quantity of ITMOs first transferred	Total first transfers (incl. OMIP) for each vintage of respective columns/years				
Annual quantity of mitigation outcomes for OIMP	For information only - Total OMIP first transfers for each vintage of respective columns/years				
Annual quantity of ITMOs used towards achievement of the NDC	Total used for NDC of each respective columns/years (i.e. not vintage based)				
A: Net annual quantity of ITMOs	Net figure (+first transfers and –use) (can be a negative figure if use exceeds first transfers) for each vintage of respective columns/years – applicable for trajectory method				
B: Cumulative amount of ITMOs, divided by the number of elapsed years	Net figure (+first transfers and –use) (can be a negative figure if use exceeds first transfers) for rolling average amount for respective columns/years – applicable for averaging method				
Annual emissions balance	Correspondingly adjusted balance after applying A or B to the starting balance of emission from inventory and scope of NDC coverage				

*Explanations have been simplified for illustrative purposes



Reporting Template

Outline for the initial report and updated initial report referred to in decision 2/CMA.3, annex, chapter IV.A (Initial report).^{1,2}

[English only]

Party	Party name
NDC period	2020-2030
Report number for the NDC period	1.0
Version	1.0
Date	2020-2030

¹ Ascribe sequential number for updated initial reports. The number '1' is reserved for the initial report.

² Ascribe version number as follows: decimal increase for minor revisions (types, corrections) and digit increase for content changes (where unavoidable).

Note: For updated initial report fill in only section IV: Information on each cooperative approach (para. 18(g)-(i), para. 19 of the annex to decision 2/CMA.3).

I. Participation responsibilities (para. 18(a))

A. Information on how the Party ensures that it is a Party to the Paris Agreement (para. 18(a), para. 4(a), to be updated by para. 21(a))

B. Information on how the Party ensures that it has prepared, ~~approved~~ and is maintaining an NDC in accordance with Article 4, paragraph 2 (para. 18(a), para. 4(b), to be updated by para. 21(a))

C. Information on how the Party ensures it has arrangements in place for authorizing the use of ITMOs towards achievement of NDCs pursuant to Article 6, paragraph 3 (para. 18(a), para. 4(c), to be updated by para. 21(a))

D. Information on how the Party ensures it has arrangements in place that are consistent with the Article 6, paragraph 2, ~~guidance~~ and relevant decisions of the CMA for tracking ITMOs (para. 18(a), para. 4(d), to be updated by para. 21(a))

E. Information on whether the most recent national inventory report required in accordance with decision 18/CMA.1 has been provided (para. 18(a), para. 4(e), to be updated by para. 21(a))

F. Information on how the Party ensures participation contributes to the implementation of its NDC and long-term low-emission development strategy, if it has submitted one, and the long-term goals of the Paris Agreement (para. 18(a), para. 4(f), to be updated by para. 21(a))

II. Description of the Party's nationally determined contribution, as referred to in decision 18/CMA.1, annex, paragraph 64, where a participating Party has not yet submitted a biennial transparency report (para. 18(b), to be updated by para. 21(b))

A. Target(s) and description, including target type(s) (decision 18/CMA.1, annex, para. 64(a))

B. Target year(s) or period(s), and whether they are single-year or multi-year target(s) (decision 18/CMA.1, annex, para. 64(b))

C. Reference point(s), level(s), baseline(s), base year(s) or starting point(s), and their respective value(s) (decision 18/CMA.1, annex, para. 64(c))

D. Time frame(s) and/or periods for implementation (decision 18/CMA.1, annex, para. 64(d))

E. Scope and coverage, including, as relevant, sectors, categories, activities, sources and sinks, ~~and~~ and gains (decision 18/CMA.1, annex, para. 64(e))

F. Intention to use cooperative approaches that involve the use of internationally transferred mitigation outcomes under Article 6 towards NDCs under Article 4 of the Paris Agreement (decision 18/CMA.1, annex, para. 64(f))

- **Sections I-III** Party-level information
- **Section IV** Cooperative Approach-level information (repeated)



Article 6: co-operation towards NDCs

Cooperative approaches

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Bilateral/multilateral cooperation between interested countries, involving the use of **internationally transferred mitigation outcomes** towards NDCs

The mechanism



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

Centralized UNFCCC baseline-and-credits mechanism for public and private sector actors, creates a new unit (A6.4ERs)

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)



What is the Article 6.4 mechanism?

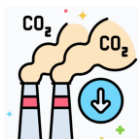
The new centralized UNFCCC baseline-and-credits mechanism (replacing CDM/JI)



“A mechanism to contribute to the **mitigation of greenhouse gas emissions** and **support sustainable development** is hereby established under the authority and guidance of the CMA for use by Parties on a voluntary basis”

“It shall be **supervised by a body** designated by the CMA...”

The mechanism shall aim to:



Promote the **mitigation** of GHG emissions while fostering **sustainable development**



Contribute to the **reduction of emission levels in the host Party**, which will benefit from mitigation activities resulting in **emission reductions that can also be used by another Party to fulfil its NDC**



Incentivize and facilitate **participation in the mitigation of GHG by public and private entities** authorized by a Party



To deliver an **overall mitigation in global emissions**.

Article 6.4 mechanism - Short history

Post-Paris, Parties extensively negotiated to develop a “rulebook” of the three instruments of its Article 6, but had faced deadlock on some critical issues (e.g., accounting, baseline setting, transition of CDM activities and units), resulting in no-agreement in Katowice (2018) and also in Madrid (2019)

CMA 3 (November 2021):

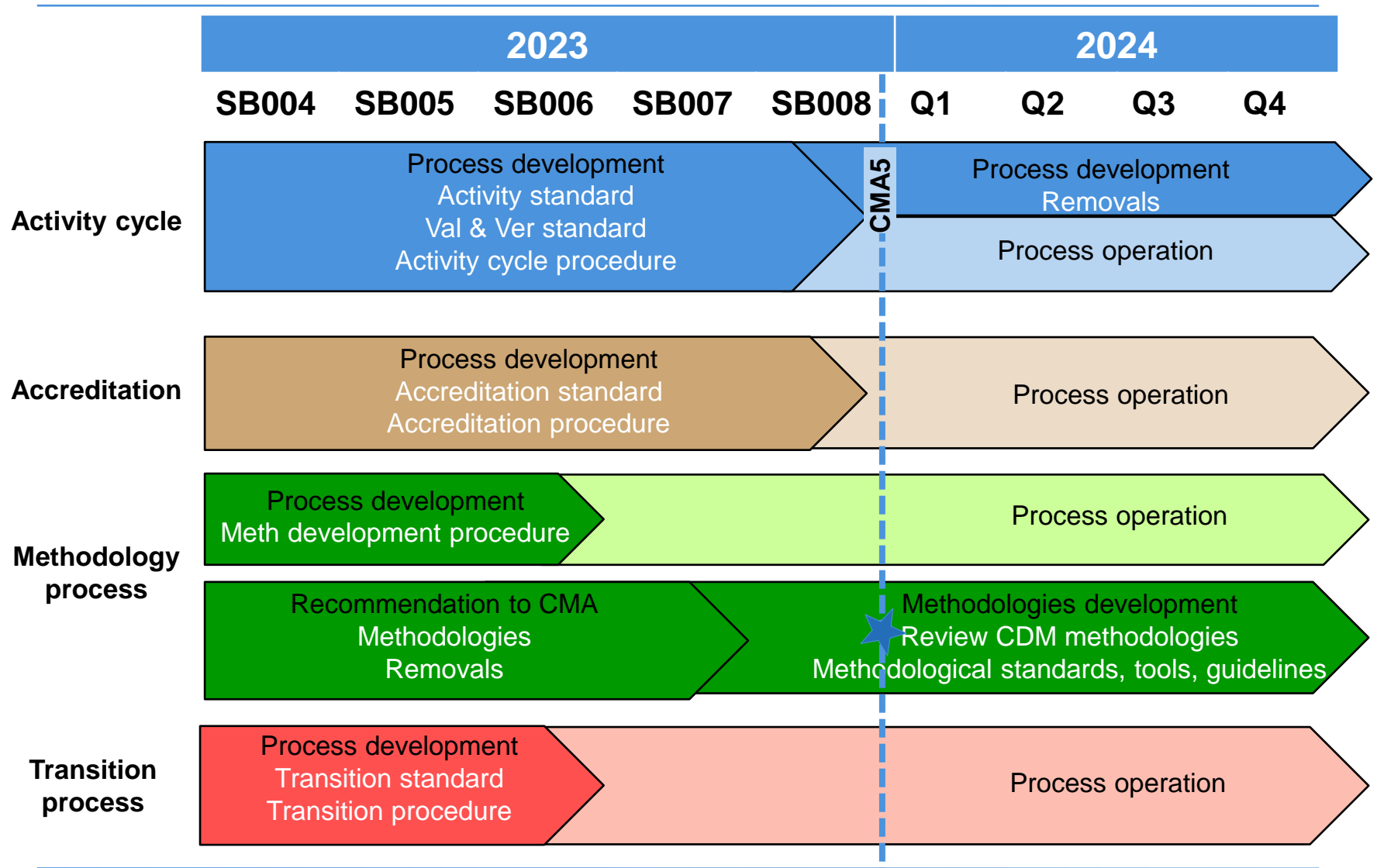
- Adopted rules, modalities and procedures (RMPs) for the 6.4 mechanism
- Mandated SBSTA and the Supervisory Body to elaborate key principles set out in the RMPs

CMA 4 (November 2022):

- Adopted guidance on the 6.4 mechanism, including elaboration of the processes and key principles
- Mandated SBSTA to work on few remaining aspects of the RMPs, while giving mandates to the Supervisory Body to develop processes for operationalization of the 6.4 mechanism



Implementation of Article 6.4 mechanism



Article 6.4 work programme (2023)

SBSTA

Registry

- Connection between IR&MR and other registries

Authorization on the use of A6.4ERs

- Timing
- Information
- Revision/ Revocation

Expanded scope of the mechanism

- Possible inclusion of avoidance and conservation enhancement

Supervisory Body

Activities involving removal

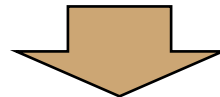
- Operationalization of removals

Requirements for methodologies

- Guidance on methodologies

Operationalization of mechanism

- Activity cycle
- Methodology development,
- Accreditation
- Transition of CDM activities



CMA 5

Synthesis report prepared based on submission as input to SB 58



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)



Work Programme under Article 6.8 – Decision from Glasgow

Topic	Key Details
Framework governance	<ul style="list-style-type: none">• Glasgow Committee (GC) on non-market approaches convened and guided by the SBSTA Chair operating in-session and open to all Parties (as per contact group procedures)• Committee to develop a schedule for implementation by 2022• The SBSTA will consider institutional arrangements that supersede the GC in 2027.
Focus areas	<ul style="list-style-type: none">• Adaptation, resilience, and sustainability• Mitigation measures to address climate change and contribute to sustainable development• Development of clean energy sources.
Modalities of Work Programme	<ul style="list-style-type: none">• Workshops• Engagements with public and private sector stakeholders• Submissions from Parties, observers, public and private stakeholders• Technical papers and synthesis reports• Collaboration with relevant institutional arrangements.
Work Programme activities	<ul style="list-style-type: none">• Identifying measures for enhancing existing linkages, creating synergies and facilitating coordination and implementation of NMAs• Developing and implementing tools (inc. UNFCCC web-based platform)



Requested the secretariat to **develop and operationalize a UNFCCC web-based platform** for non-market approaches

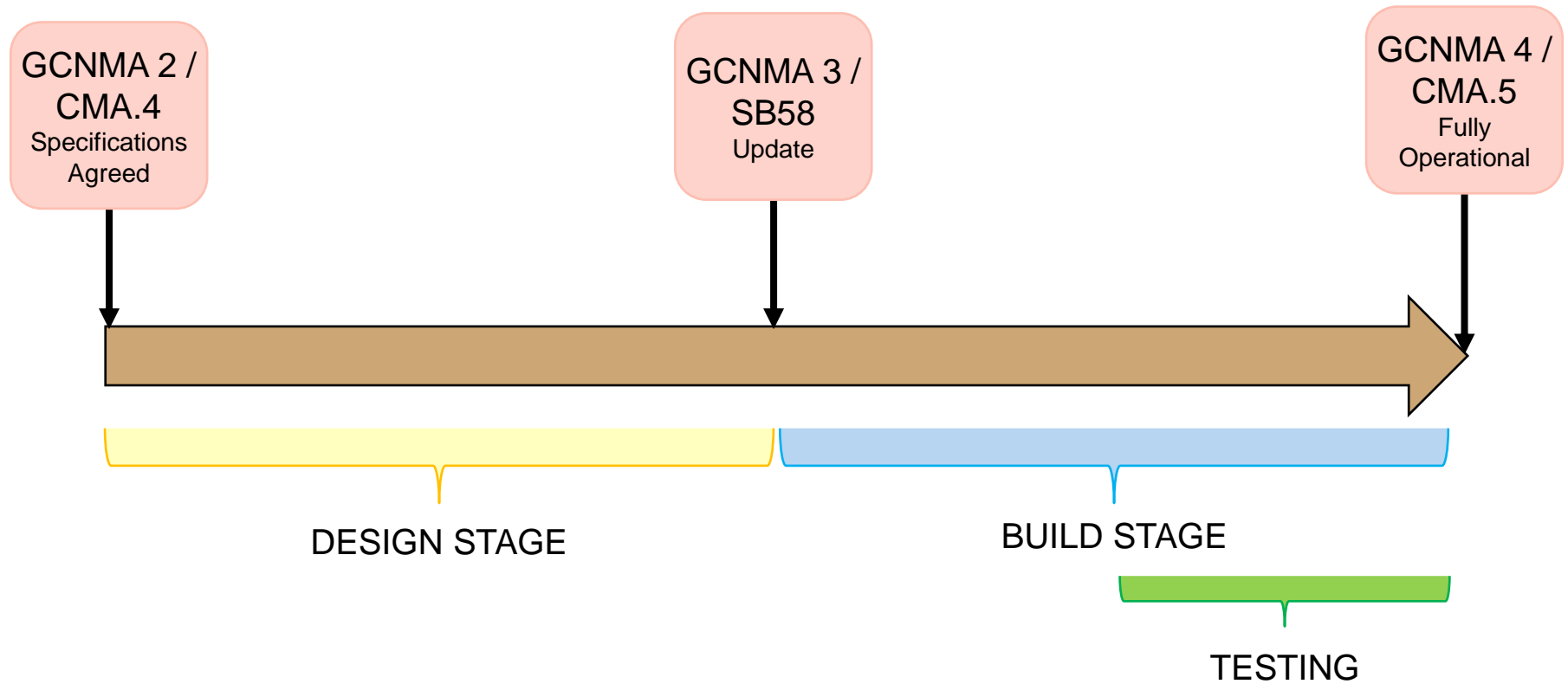
Key functions

- Record and exchange information on NMAs, NMAs seeking support, and information on support available for NMAs
- Facilitate opportunities, by connecting Parties, to identify, develop, and implement NMAs

Other functions of the web-based platform

- **Information hub** on available resources and tools on NMAs, incl. links to relevant websites and news
- **Visualization tool for mapping** NMAs
- **Discussion forum** for Parties and non-Party Stakeholders to facilitate networking among active users

Implementation Timeline



Background slides on Initial report



- **Participation responsibilities**

- How the Party ensures that it is a Party to the Paris Agreement
- Information that it has prepared, communicated, and is maintaining an NDC
- How the Party ensures it has arrangements in place for authorizing the use of ITMOs
- How the Party ensures it has arrangements in place for tracking ITMOs
- Whether the Party has submitted the most recent national inventory report required
- How the Party ensures participation contributes to the implementation of its NDC and LT-LEDS, if it has submitted one, and the long-term goals of the Paris Agreement

- **Description of the Party's NDC**

- Target(s) and description, including target type(s)
- Target year(s) or period(s), and whether they are single-year or multi-year target(s)
- Time frame(s) and/or periods for implementation
- Scope and coverage, including, as relevant, sectors, categories, activities, sources and sinks, pools and gases
- Intention to use cooperative approaches that involve the use of ITMOs under Article 6 towards NDCs
- Any updates or clarifications of previously reported information (e.g. recalculation of previously reported inventory data, or greater detail on methodologies or use of cooperative approaches)

- **Information on ITMO metrics, method for applying corresponding adjustments and method for quantification of the NDC**
 - ITMO metrics
 - Method for applying corresponding adjustments
 - Indicative multi-year emission trajectory, trajectory, budget or averaging (Single-year)
 - Multi-year emission trajectory, trajectory or budget (Multi-year)
 - Quantification of the Party's mitigation information in its NDC, or portion, in tCO₂ eq or methodology for the quantification
 - Quantification of the Party's mitigation information in its NDC, or portion, in non-GHG
 - For policies and measures that is not quantified, quantify the emission levels that are relevant to the cooperative approach

- **For EACH cooperative approach (replicated for each)**
 - Copy of the authorization by the participating Party.
 - Description of the cooperative approach:
 - Duration, Expected mitigation, Participating Parties, Authorized entities,
 - Ensures environmental integrity:
 - No net increase in global emissions, the quality of mitigation outcomes; Minimize risk of reversals
 - Additional information on cooperative approaches:
 - Negative environmental, economic and social impacts, 11th preambular paragraph of Paris Agreement, link with sustainable development objectives of the Party, resources for adaptation , overall mitigation in global emissions

Thank you

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