

Input on the Annotated agenda of the 14th meeting of Article 6.4 supervisory body – Vinay Deodhar

Agenda item 5: The Supervisory Body may wish to take note of the update on carbon markets and carbon crediting standards.

Ever since the Paris Agreement (PA) entered into force, the new regime under its various articles, especially the Article 6 is evolving. As the rules of various paras under it, notably the Article 6.2 and 6.4 (and to a lesser extent the Article 6.8) seem to converge into an ensemble under which the compliance and voluntary carbon markets (VCMs) appear to be converging. Various registries required for these are taking shape. Accordingly, the VCMs have begun to align with the Paris regime. It appears that under all such mechanisms including the ITMOs under Art. 6.2 may adopt emission reduction unit equivalent to 1 ton of CO₂ reductions. As the methodological framework under Article 6.4 and the cooperative approaches under Art 6.2 develops, it will be essential that all these programs and the VCM's should follow uniform methods and ER estimations that are compatible with each other. In other words, a ton reduced under Art 6.4, 6.2 and VCMs must be the same so that all these sources of ERs are comparable, fungible and trustworthy as means of achieving the common goal of PA. In the absence of any Body at the UNFCCC level to coordinate efforts on this subject, a few bodies formed by the VCMs or NGOs have begun to act as the watchdogs to guard the quality of the ER credits.

The Supervisory Body is requested to raise the discussion on this highly important topic via its report or at the ensuing meeting of the CMA as well as under the SBSTA/SBI at the COP29 possibly suggesting formation of an overarching body.

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