



Article 6 of the Paris Agreement

2023 Webinar Series

Webinar #1

Overview of Article 6



Webinar I | Overview of Article 6 of the Paris Agreement

Regional Collaboration Centres
Webinar Series

Tuesday, 22nd August 2023



Agenda

- Paris Agreement Antecedents
- Paris Agreement Key Elements
- The Ambition Cycle
- Article 6 Structure
- Differences between Kyoto Protocol and Article 6
- Article 6 Requirements (6.2, 6.4, 6.8)
- Why does all of this Matter?
- A6 Strategy & opportunities for the private Sector
- Article 6.2 cooperative approach

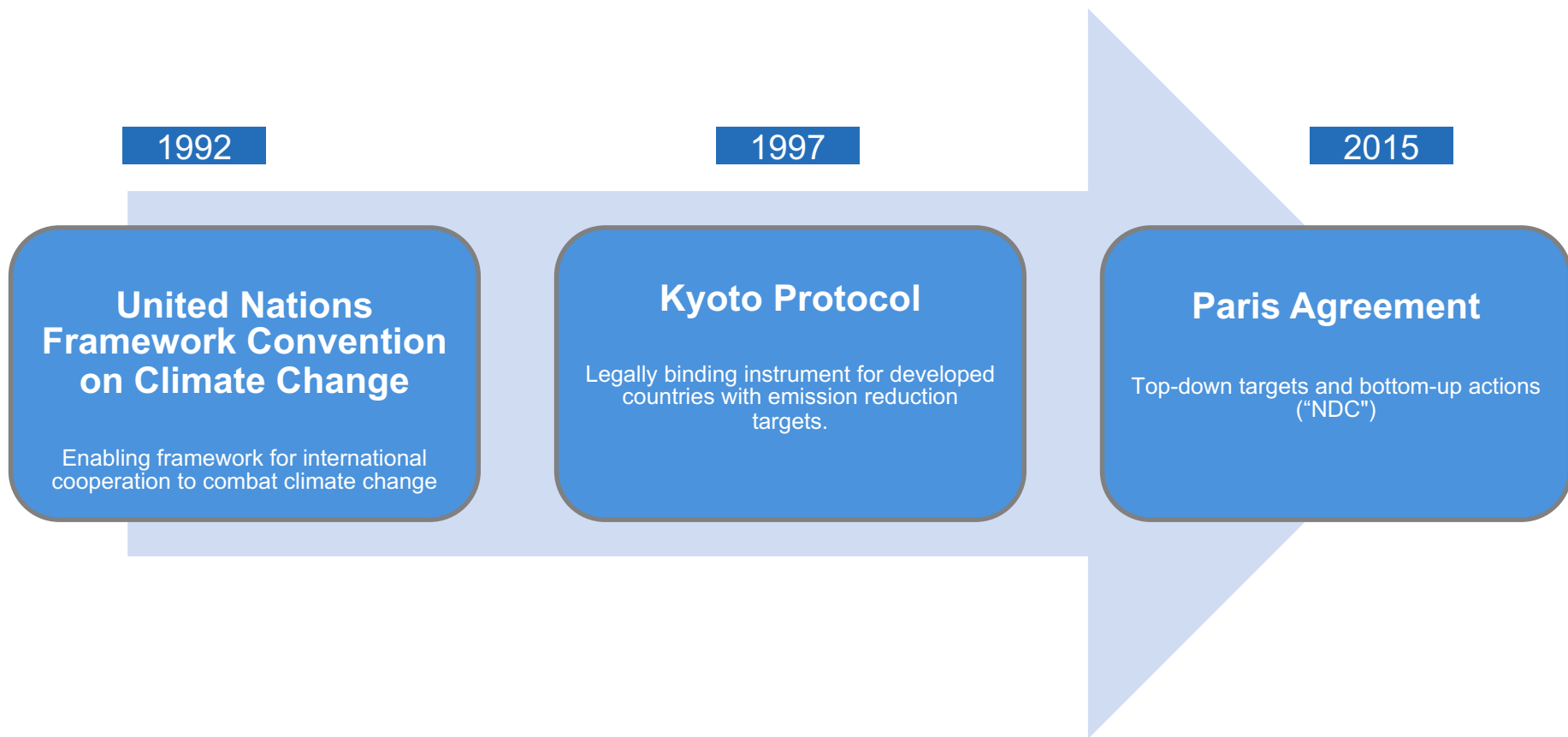


Session I – Article 6 of the Paris Agreement



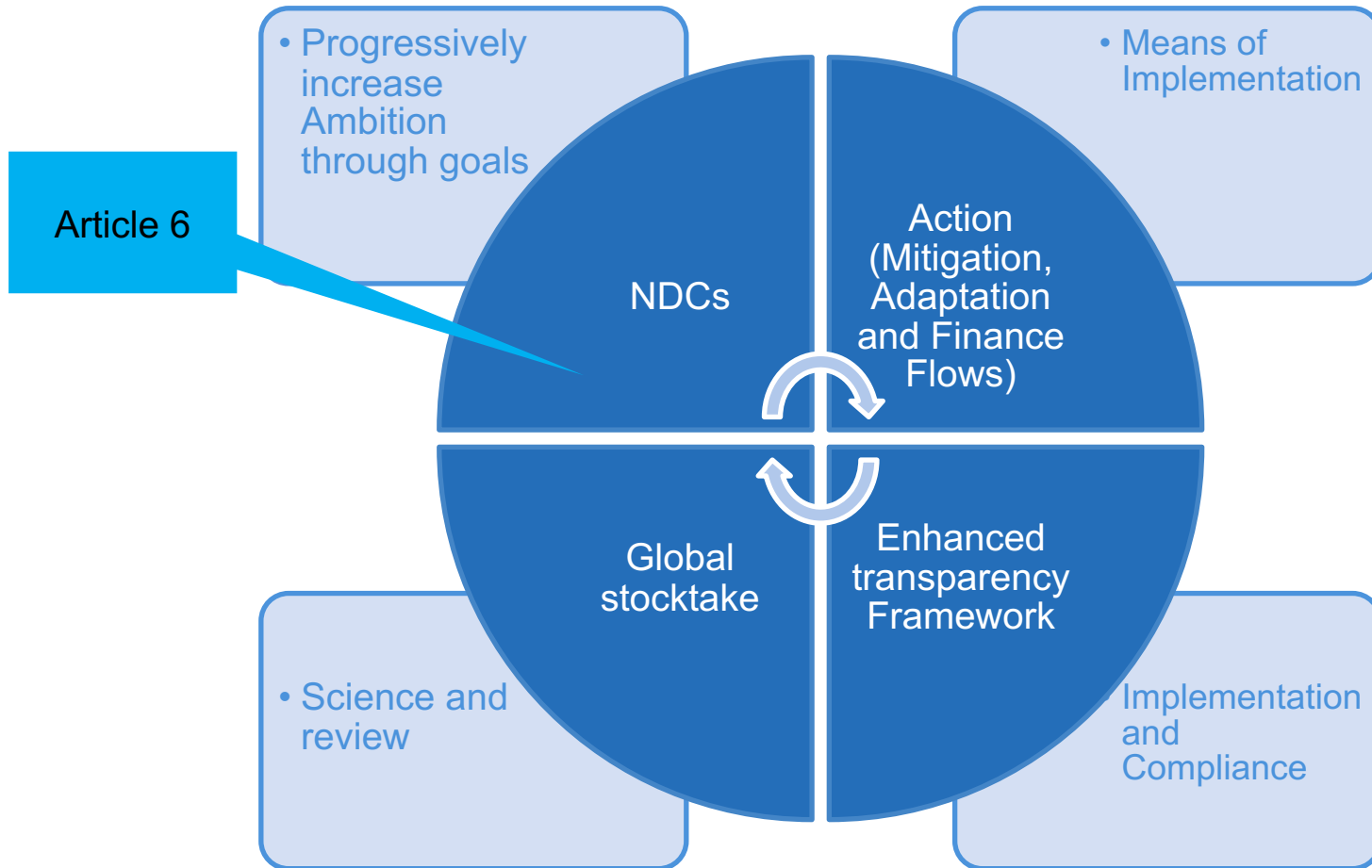
Paris Agreement – what is it and why does it matter?

The Paris Agreement – Antecedents



Article 6 of the Paris Agreement – what is it and why does it matter?

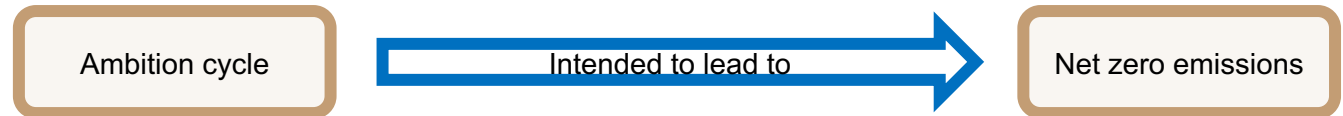
The Paris Agreement – Key Elements



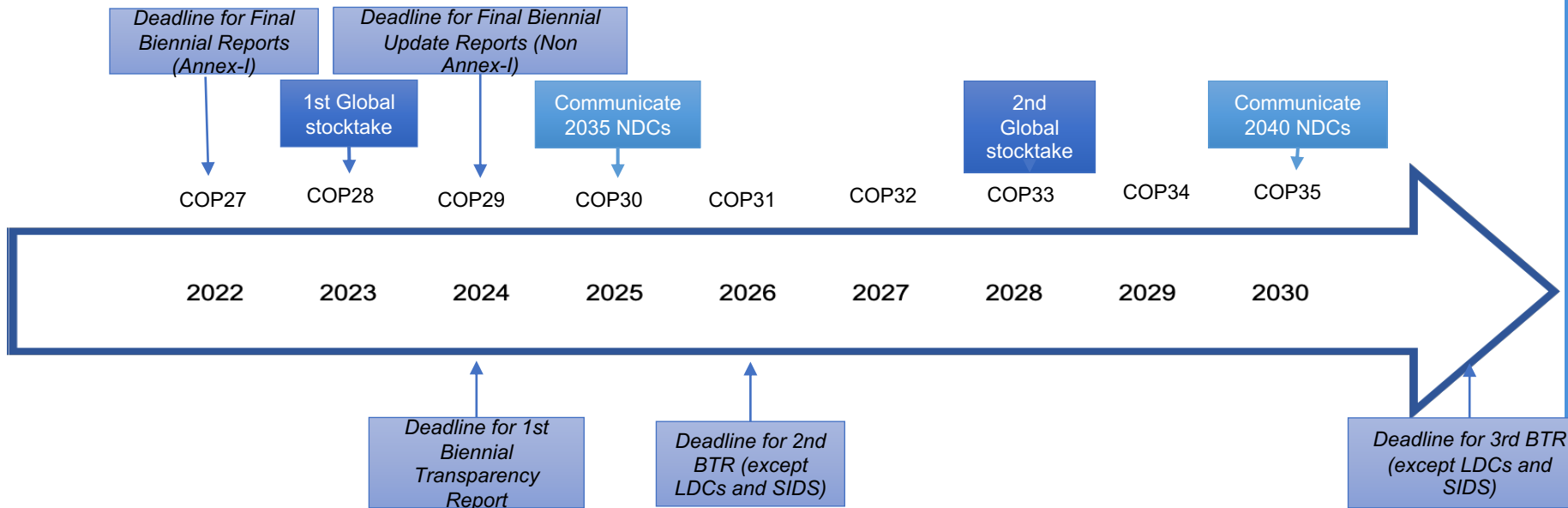
Article 6 of the Paris Agreement,— what is it and why does it matter?

The Paris Agreement – The ambition cycle

The objective of the Paris Agreement is “to hold the increase in global average temperature to well below 2 degrees Celsius (°C) above pre-industrial levels and to pursue efforts to limit it to 1.5°C (Article 2).



The ambition cycle is a “ratcheting-up” mechanism which aims to increase ambition based on regular stocktakes of information from Parties, submissions of progressive national climate plans, and the latest science on climate change



Article 6 of the Paris Agreement,— what is it and why does it matter?

Article 6 – Structure

Countries can voluntarily cooperate to achieve their NDCs in whatever way they wish. Article 6 of the PA provides for different options of cooperation:

6.2

Article 6.2 Cooperative Approaches – decentralized approach with basic guidance from the Parties (CMA), “an accounting mechanism”, type of cooperation not defined

6.4

Article 6.4 The New Mechanism – centralized approach similar to the Clean Development Mechanism, baseline-and-crediting mechanism. Subject to UNFCCC governance

6.8

Article 6.8 Non-Market Approaches – promoting mitigation and adaptation cooperation that does not involve the transfer of mitigation outcomes

Objectives: for Art. 6.2 & 6.4

- Increasing climate ambition in a cooperative manner.
- Participants: Country Parties to the Paris Agreement.
- Trading Unit: ITMOs International Oversight through Modalities, Procedures and Guidelines.



Article 6 Participation Requirements

Article 6 : 6.2 vs 6.4

Article 6.2 Cooperative approaches	Article 6.4 The Mechanism
<ul style="list-style-type: none"> ▪ It has to be a Party to the Paris Agreement ▪ It has prepared, communicated and is maintaining an NDC ▪ It has provided the most recent national inventory report required ▪ Its 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. 	
<p>Arrangements in place for authorizing and tracking the use of ITMOs towards achievement of NDCs</p>	<p>Indicated to the SB how participation in the mechanism contributes to SD</p>
<p>MOs = Mitigation Outcomes</p>	<p>A6.4ERs = Emission Reduction</p>
<p>NIR (as part of BTR)</p>	<p>Has a DNA in place /</p>
	<p>Indicated to the SB how participation in the mechanism contributes to SD</p>
	<p>Must specify the type of A6.4 activities it would consider approving May specify baseline approaches and crediting periods</p>



Article 6 Participation Requirements

Article 6 : 6.8 Non-Market Approaches

Does not involve commercialization. Will facilitate climate action through international cooperation focused on sustainable development and poverty eradication (non-market)

- No transfer of mitigation outcomes
- Initial focus areas: mitigation, adaptation, clean energy
- Type of support: finance, capacity building, technology
- Requires the participation of more than one Party
- Environmental and social impact safeguards apply
- Web-based platform (under development) as central element to record NMAs and give an overview of sources of support



Why does all this matter?

- Article 6 is an important part of the world's “toolbox” for addressing climate change
- Article 6 is the only part of the PA that directly engages the business and private investment sector in directly implementable activities in which they can invest
- In addition to the trading instruments, implementation of NMA is essential to contribute to sustainable development and poverty eradication
- NDCs implementation reduced by half as much as (\$250 billion by 2030) or facilitate removal of 50% more emissions (about 5 GT of Co2 e/ year by 2030)
- There is strong real-world potential for cooperative action - shown by existing pilot Article 6 projects, with the UN decisions in Glasgow understanding the overall impact of cooperative action on global mitigation is facilitated
- Centralized mechanism helps in ensuring broader accessibility of markets



Article 6 of the Paris Agreement – Strategy & opportunities for the private Sector

Article 6 – Implementation strategy

- The prioritization of preferred Art 6.2 activities may conclude on a defined strategy for Art. 6.2 participation that ensures activities go beyond the NDC targets and may respond to:
 - Which sectors will be targeted?
 - Which types of activities are preferable in these sectors?
- This strategy will also support:
 - Understanding the medium and long-term objectives.
 - Establish overall objectives that will guide participation, such as the number of Mitigation Outcomes that the government intends to transfer.
- A detailed and even public country-level strategy is likely to provide confidence to
 - donor countries and institutions and
 - Sectoral ministries, government agencies and the private sector
- Once a strategy is in place, several implementation processes are closely related to this strategy- it is the Art 6 Framework.
- **Opportunity for the Private Sector: Financing higher-cost mitigation measures & generate Sustainable development co-benefits** as part of social and environmental contribution.



Session II – Article 6.2. Cooperative Approaches



Article 6.2 - Key Concepts & Participation Requirements

Key Concepts

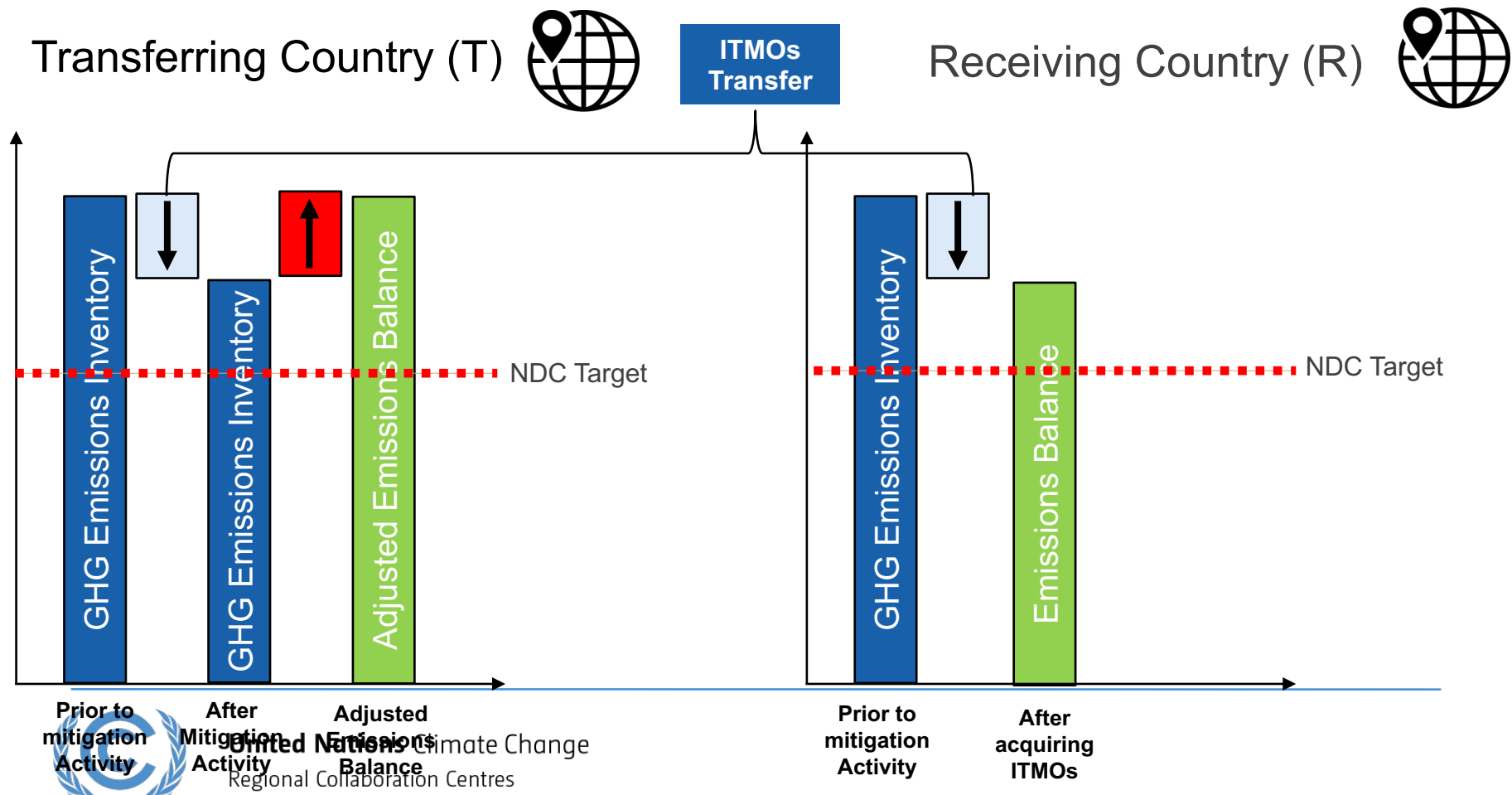
ITMOs (Internationally Transferred Mitigation Outcomes) - the result of different types of activities, defined as real, verified, and additional, representing emissions reductions or removals, and including mitigation co-benefits resulting from adaptation actions and/or economic diversification plans or the means to achieve them.

- **Real, verified, and additional**
- Emission reductions and removals, including mitigation co-benefits
- Generated in respect of or representing mitigation from 2021 onward
- Measured in metric tonnes of carbon dioxide equivalent (t CO₂ eq) or non-GHG metrics determined by the participating Parties that are consistent with the nationally determined contributions (NDCs) of the participating Parties
- From a cooperative approach referred to in Article 6.2, (that involves the international transfer of mitigation outcomes authorized for use towards an NDC)
- Mitigation outcomes authorized by a participating Party for use for international mitigation purposes other than achievement of an NDC.
- Article 6, paragraph 4, authorized emission reductions.

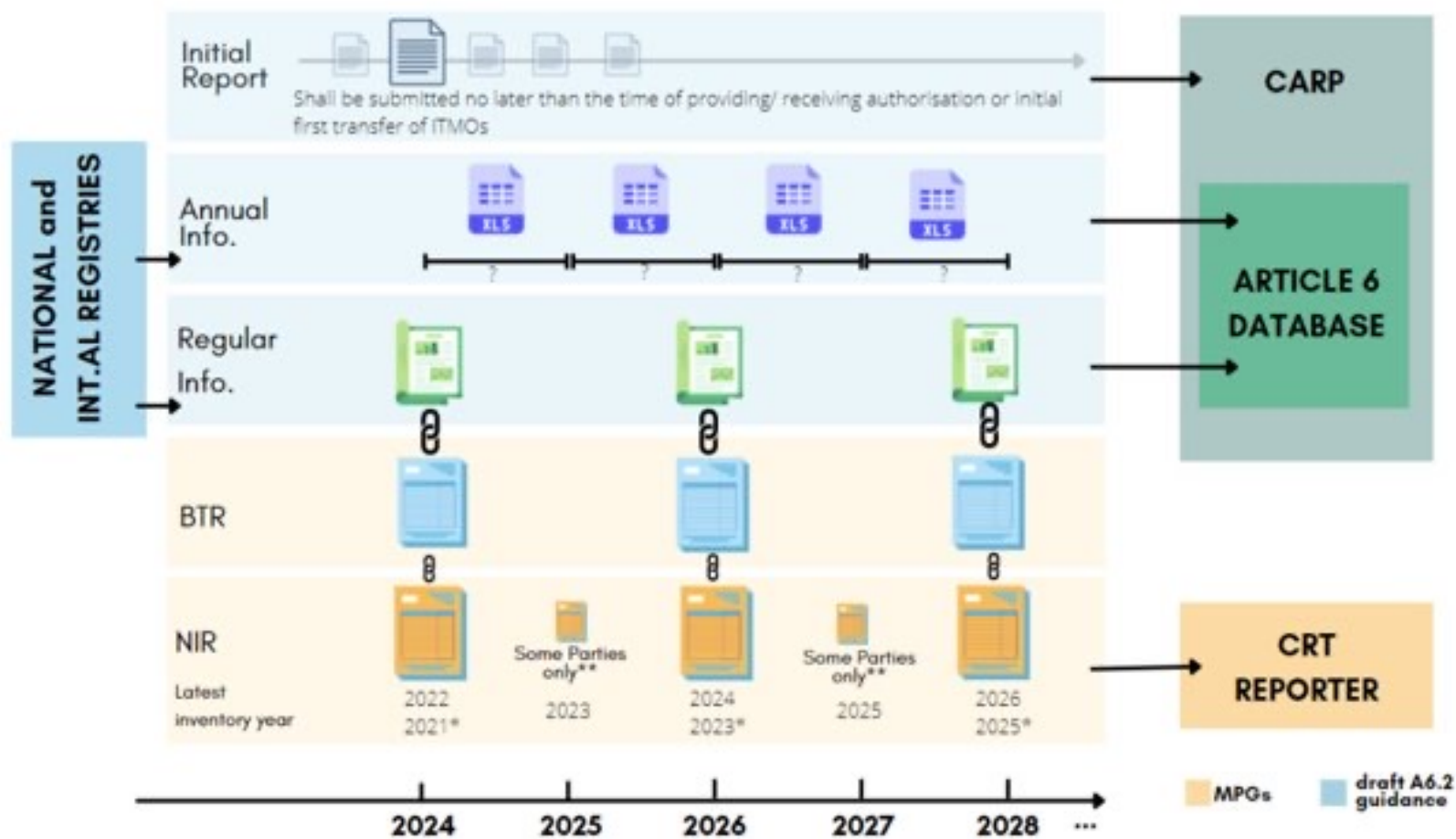


Article 6.2 - Key Concepts & Participation Requirements

Corresponding adjustments - countries' emissions levels, as reported when they track the progress towards achieving the NDC, should be adjusted to reflect the transfer (export) or receipt (import) of mitigation outcomes.



Article 6. Reporting under Art 6



Article 6.2 - Implementation - Case study India

- Mandate : Type of projects that may take part in international carbon market under Article 6.2 mechanisms
- Following list of activities has been finalized to be considered for trading of carbon credits under bilateral / cooperative approaches under Article 6.2 mechanism

GHG Mitigation Activities:

1. Renewable energy with storage (only stored component)
2. Solar thermal power
3. Off- shore wind
4. Green Hydrogen
5. Compressed bio-gas
6. Emerging mobility solutions like fuel cells
7. High end technology for energy efficiency
8. Sustainable Aviation Fuel
9. Best available technologies for process improvement in hard to abate sectors
10. Tidal energy, Ocean Thermal Energy, Ocean Salt Gradient Energy, Ocean Wave Energy and Ocean Current Energy
11. High Voltage Direct Current Transmission in conjunction with the renewal energy project

Alternate Materials

12. Green Ammonia

Removal Activities

13. Carbon Capture Utilization and Storage



Session III – Country Intervention



Session III – Country Intervention



Thailand



Singapore



Q&A Session - Case studies

- What issues did your country encounter in the early stages of implementing Article 6.2?
- What good practices or approaches did you develop to face these issues?



*Driving Ambition
for Carbon Neutrality*

Thailand's experience in implementing Article 6 of the Paris Agreement

Thailand Greenhouse Gas Management Organization (Public Organization)

2023 Article 6 Webinar Series – Day 1: 22 August 2023 (Online)

องค์การบริหารจัดการก๊าซเรือนกระจก
(องค์การมหาชน)

www.tgo.or.th



“... to explore the **Cooperative Approaches, Thailand** has prepared the National Guidelines and Mechanisms on Carbon Credit Management and is **one of the first countries to practice ITMOs under Article 6.2** of the Paris Agreement.”

- Statement by H.E. Mr. Varawut Silpa-archa
Minister of Natural Resources and Environment of the Kingdom of Thailand
COP 27 High-Level Segment

Thailand's 2nd Updated NDC

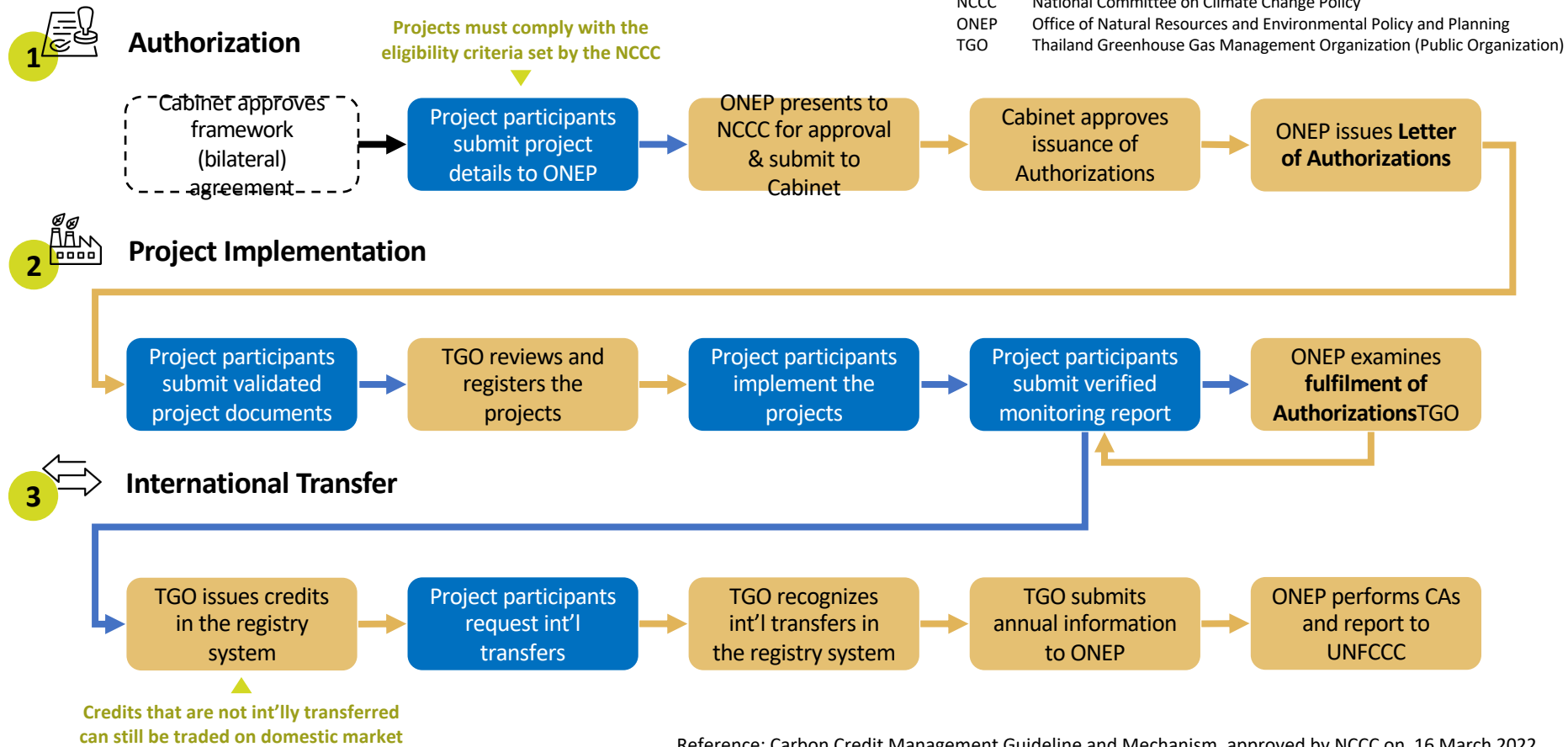
Thailand welcomes discussion to explore international market-based cooperation in the context of Article 6 of the Paris Agreement, that promotes development and transfer of advanced technologies and innovation and provides access to financial resources that support Thailand's achievement of NDC and LT-LEDS.

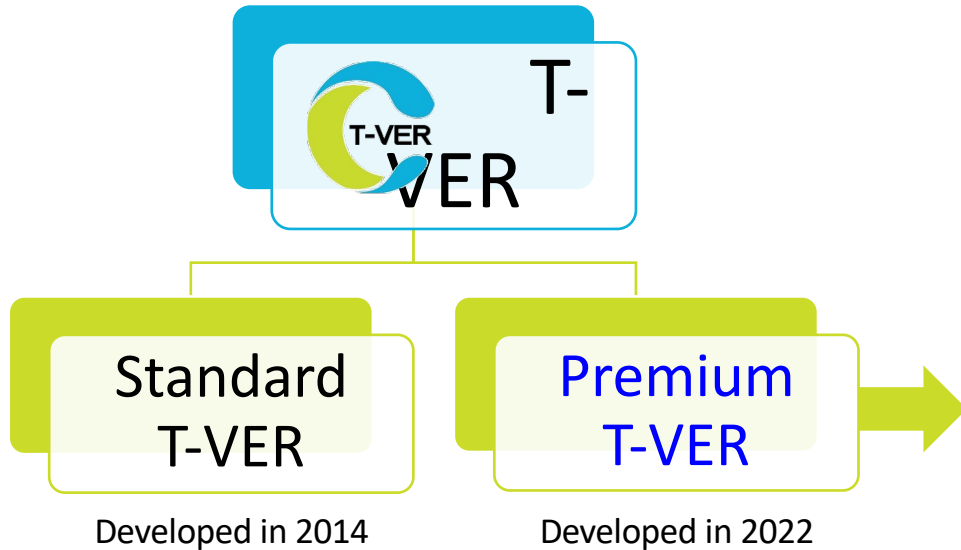


National Committee on Climate Change Policy (NCCC) approved the “Carbon Credit Management Guideline and Mechanism” (CCMGM) which includes national requirements and procedures for issuing Letter of Authorization and approval of transfer of mitigation outcomes for international mitigation purposes.



Thailand Greenhouse Gas Management Organization (Public Organization) or TGO serves as the administrator of mitigation activity standards and registry.





Premium T-VER requires additional demonstration to ensure higher quality carbon credits compared to standard T-VER.



Further information: <https://ghgreduction.tgo.or.th/th/premium-t-ver.html>

TGO Carbon Registry System

https://registry.tgo.or.th/en

กรมส่งเสริมการค้าระหว่างประเทศ
Thailand Carbon Credit Registry

Carbon Credit Project Inventory

ALL PROJECTS **349** CERTIFIED **145**

10

Project ID#	Project Title	Project Type	Standard
#335	Carbon sequestration in Bamboo plan...	Forestry and Agriculture	Standard T-VER
#336	Sustainable Forestation Project in Nih...	Forestry and Agriculture	Standard T-VER
#337	Carbon sequestration and reducing e...	Forestry and Agriculture	Standard T-VER
#338	Sustainable Forestation Project in Teak...	Forestry and Agriculture	Standard T-VER
#339	Reducing Emission from Deforestation...	Forestry and Agriculture	Standard T-VER
#340	25 MW Biomass Power Generation by ...	Renewable Energy or Fossil Fuel Alter...	Standard T-VER
#341	Methane Recovery and Utilization Proj...	Industrial Wastewater Management	Standard T-VER
#342	Wastewater treatment plant modificati...	Community Wastewater Management	Standard T-VER
#343	Solar Power System Capacity 16 MWp ...	Renewable Energy or Fossil Fuel Alter...	Standard T-VER
#344	Solar PV project by SKIUCHAI ENTERP...	Renewable Energy or Fossil Fuel Alter...	Standard T-VER

Bangkok Metropolitan Area E-Bus Zone 1 and 2 (Bangkok e-bus Program)

โครงการรถโดยสารไฟฟ้า กรุงเทพมหานครและปริมณฑล โซน 1 และ 2 (Bangkok e-bus Program)

CCMGM Project Type: Public Transportation System
Standard: Standard T-VER

Project Overview


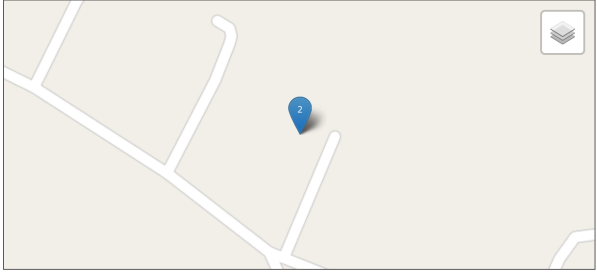
The project activity will replace the use of conventional (diesel & natural gas) buses with battery electric vehicles (32 seats, 260 kW electric motors, and battery capacity of 151.07 kWh) on public transportation system within Bangkok Metropolitan area zone 1 and 2 covering 59 bus routes in partnership with Thai Smile Bus Company Ltd. for a minimum number of 831 vehicles. This project is implemented under the implementing agreement between Thailand and Switzerland and received Letter of Authorization (LoA) from ONEP on 8 February 2023.

Co-Benefits

Environmental	Social	Economic
- Improve air quality and reduce PM2.5 particles in the air caused by engine combustion		
- Reduce air pollution from acceleration after bus stops		
- Reduce waste from lubricants and engine parts		

Project Developer: Energy Absolute Company Ltd. and Carbon Coordinating Managing Entity Company Ltd., Thailand

Project Images

Location List (2 locations)

Estimated Greenhouse Gases Reduction/Collection (tCO ₂ eq/year)	3,254
Issued Carbon Credits (tCO ₂ eq)	0

Carbon Credits Certification

Crediting Period	Issued Carbon Credits (tCO ₂ eq)	Documents

Further information: <https://registry.tgo.or.th>

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THANK YOU FOR YOUR ATTENTION!

