

Paris and Bonn debrief: current interpretations and implications for crediting mechanisms

Technical workshop on scaled-up crediting approaches, Paris, 31 May 2016

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 - a) Process
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Article 6 - Conclusions

- Agreement to focus on establishing common understanding at SBSTA 45 on the matters related to the guidance/ Rule M&P for the mechanism/the work programme;
- Invitation to Parties and observer organizations to submit by 30 September 2016 their views on the guidance/ Rule M&P for the mechanism/the work programme.



Article 6 - Process

- Parties have a different views on the **pace** of future technical work
- Parties **took full ownership** of the process
- Parties considered the **3 agenda items** (cooperative approaches, mechanism and non-market approaches) **as a package**
- Parties engaged in a productive initial **exchange of views that lead to enhanced understanding** during SBSTA 44 and agreed to focus on establishing common understanding at SBSTA 45



Views exchanged to enhance understanding

Article 6.1:

Voluntary cooperation in the implementation of NDCs to

- 1) allow for higher ambition;
- 2) to promote SD and
- 3) to promote environmental integrity.



Views exchanged to enhance understanding

Article 6.2: Cooperative approaches

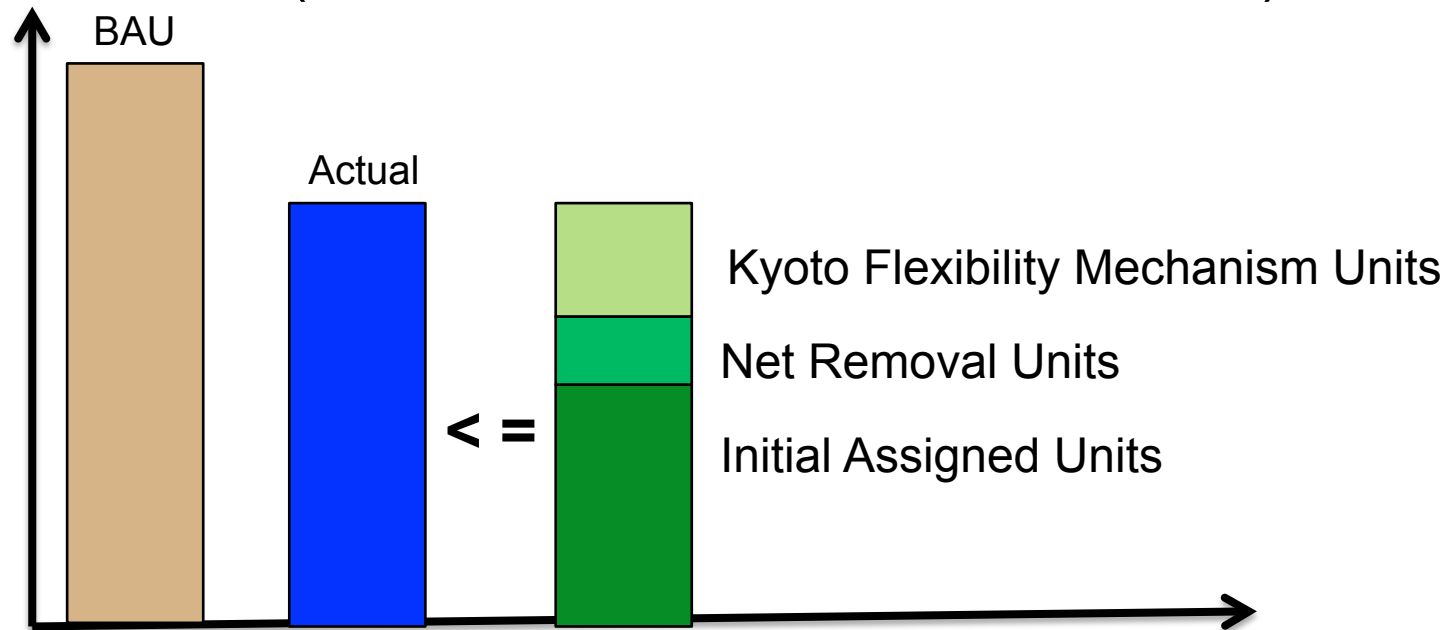
- Scope of the guidance? Robust accounting or more
- Robust accounting? Quality of the ITMO
- The importance of the obligations (“shalls”) in Article 6.2 & 6.3
- Mitigation outcomes?
- ITMOs: units, allowance or other mitigation outcomes?
- Transparency in governance
- The implications of different forms and types of NDCs
- How the adjustment would be conducted?



Views exchanged to enhance understanding

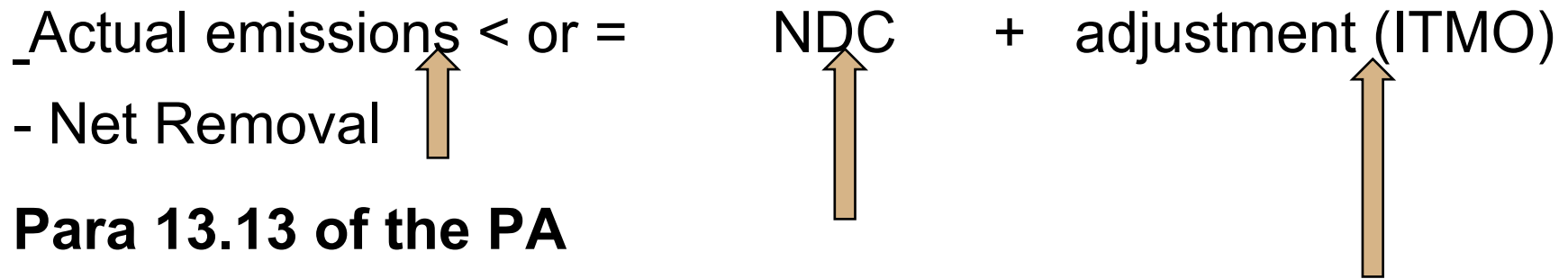
Compliance under the KP

- Actual emissions \leq Initial Assigned Amount + Kyoto Units (CERs or ERUs or AAUs or RMUs)



Views exchanged to enhance understanding

$\text{Actual emissions} < \text{ or } = \text{ NDC} + \text{ adjustment (ITMO)}$
- Net Removal



Para 13.13 of the PA

Para 4.13 of the PA

Para 6.2 of the PA

The adjustment function could depend on:

- a) The nature of the ITMO
- b) The quality of the ITMO based on objective metrics
- c) The quantity of ITMO
- d) The type of NDC of the buying Party



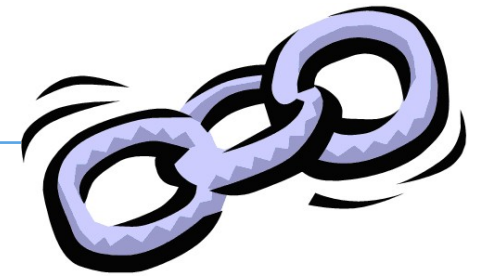
Views exchanged to enhance understanding

Article 6.4: The mechanism

- Name of the mechanism?
 - Activities under and scopes of the mechanism(s)? Will serve beyond 6.2?
 - Similarity and differences with existing mechanisms under the KP?
 - a) Experience gained with and lessons learned from existing mechanisms relevant to 6.4 (positive as well as negative)
 - b) Key differences resulting from the different context of the PA, for example e.g. NDCs for all Parties;
 - c) New concepts
 - ✓ Deliver an overall mitigation in global emissions;
 - ✓ Long term benefits;
 - ✓ Avoid double counting by buyers and sellers;
 - ✓ Specific scope of activities.
-



Article 6 – Possible linkages



Linkages

- Linkages **between the 3 mandates under Article 6**
- Linkages **between Article 6 and other Articles of PA**. Specifically:
 - Article 6.2 and 6.4 with Article 2 (Objective);
 - Article 6.2 with Article 4.13 (Accounting); Article 13.13 (Transparency) and Article 15 (Compliance);
 - Article 6.4 and Article 5 (REDD+)

Thank You

