

Status on the Implementation of Article 6 of the Paris Agreement

Role of carbon markets in global climate action and implications for market development activities

PMR Technical Workshop, October 2017

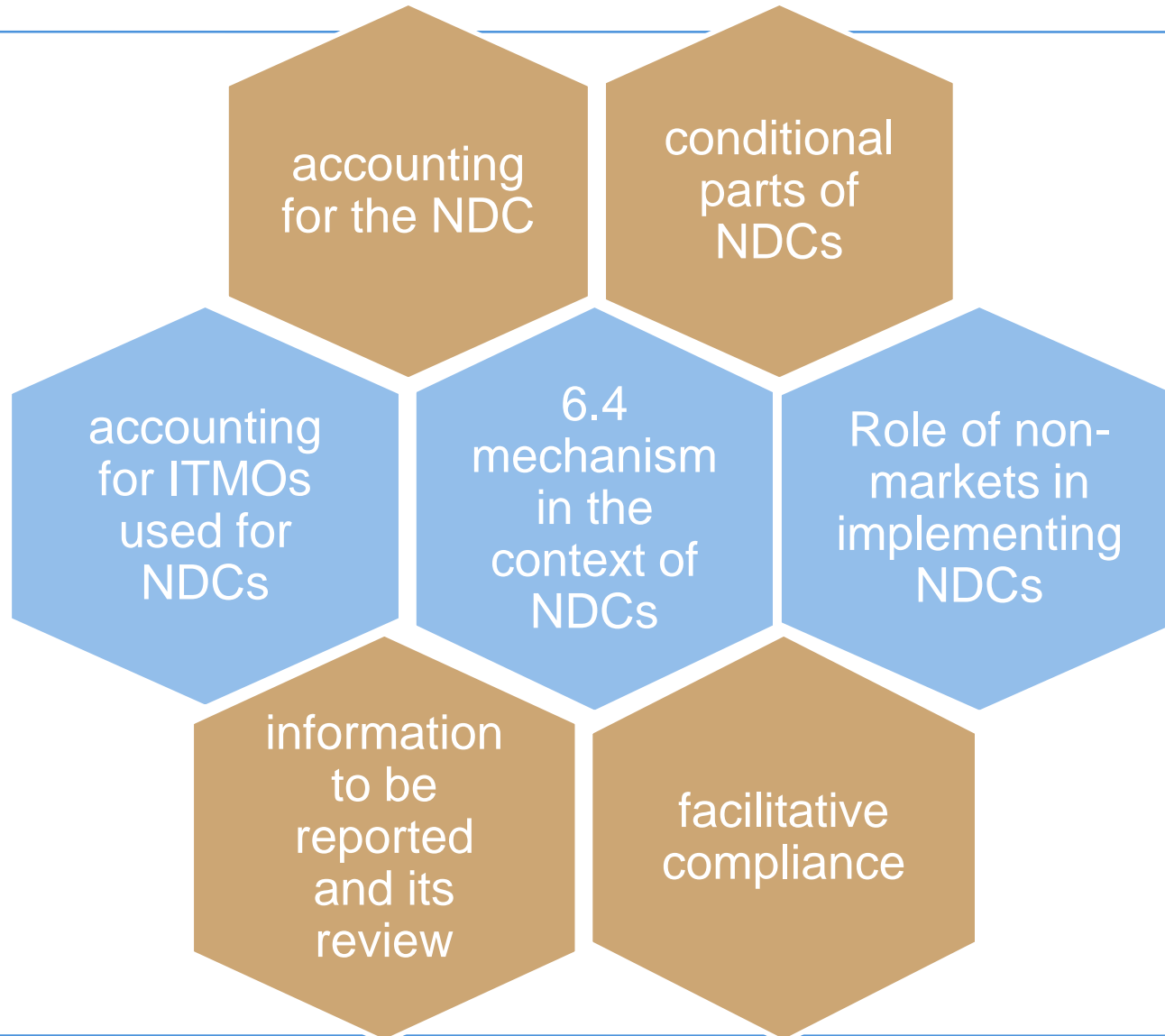


Markets and non-markets within the Paris Agreement

- **Aim of the Paris Agreement**
 - Holding increase in global temperature to well below 2 degrees C and try to limit to 1.5 degrees C through achieving a balance of emissions and removals
 - Article 6 approaches are tools to support the achievement of these goals
- **Ambition in nationally determined contributions (NDCs)**
 - NDCs reflecting highest possible ambition
 - Markets should support, not undermine, that ambition
- **Progression of NDCs over time**
 - Each new NDC should show progression in the contribution
 - Markets should not discourage progression



Article 6 sits in a puzzle with other items



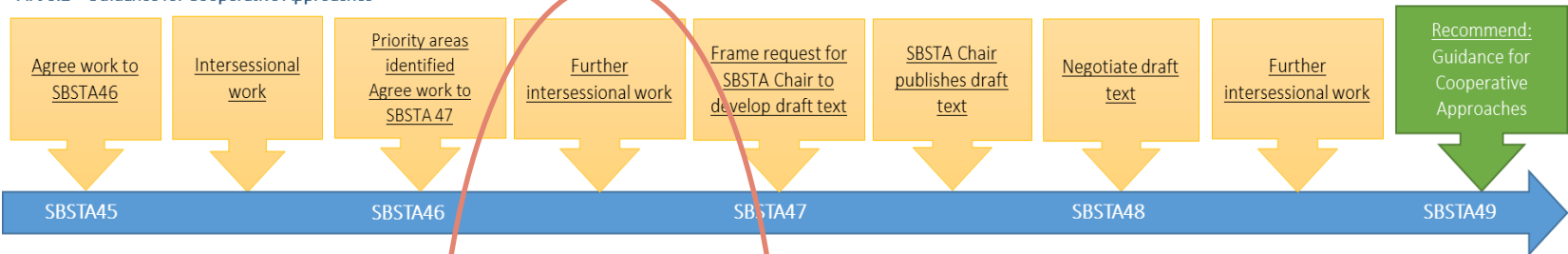
The bigger picture around Article 6 discussions

- A practical implementation challenge for NDCs. Many Parties need help to achieve their NDC:
 - Technical support (e.g. to understand their own greenhouse gas emissions profile)
 - Financial support (e.g. to implement conditional parts of their NDC)
- Parties are working through an interlinked work programme that has to deliver all at the same time
 - Multiple interconnected discussions at UNFCCC that have to deliver all together
 - An overall dynamic of political balance

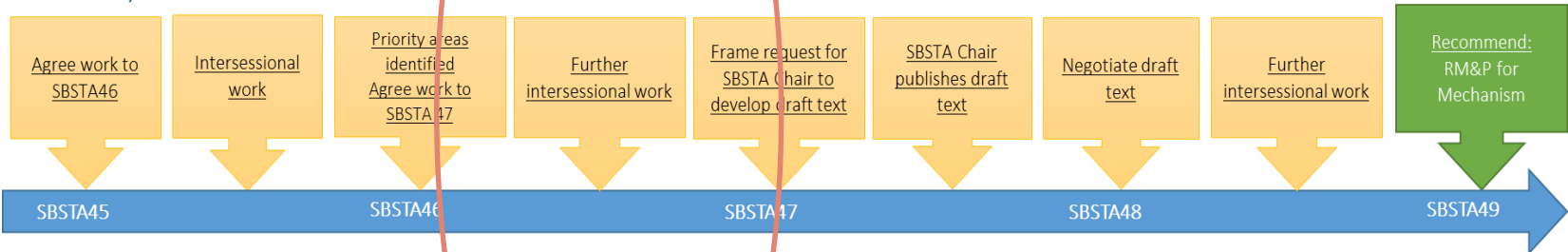


Progress report

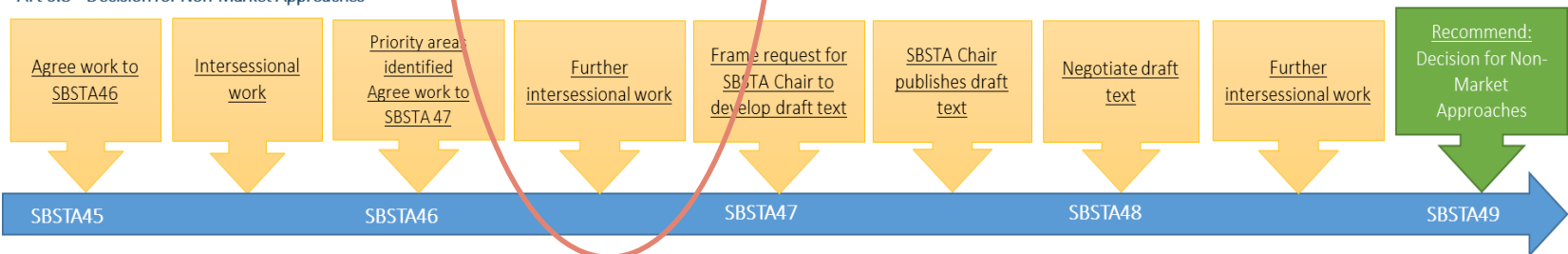
Art 6.2 – Guidance for Cooperative Approaches



Art 6.4 – Rules, Modalities and Procedures for the Mechanism



Art 6.8 – Decision for Non-Market Approaches



What are the Parties doing to implement Article 6?

- Article 6 work programmes started in May 2016 to implement three parts of the Article
 - 6.2 - Use of ITMOs from cooperative approaches
 - 6.4 - Mechanism
 - 6.8 - Framework for non-market approaches
- December 2016 was the first meeting of the Paris Agreement Parties, in Marrakech, and they agreed to forward outcomes from the Paris work programmes for adoption in December 2018
- Parties continued work in May 2017 and in November 2017, Parties will meet again to discuss implementation of Article 6 work programmes



Current work

- Party submissions

<http://www4.unfccc.int/submissions/SitePages/sessions.aspx?showOnlyCurrentCalls=1&populateData=1&expectedsubmissionfrom=Parties&focalBodies=ADP>

- Party round-table discussions

http://unfccc.int/cooperation_support/cooperative_implementation/items/9644.php

- Informal document from the round-table discussions
- In November:
 - Negotiations on substance
 - Agree work for 2018



Next steps - Article 6.2 Roundtable

- How can we ensure that the guidance in relation to environmental integrity is sufficient?
- Which accounting approaches are most suitable, and why?
- How is mitigation outside the scope of the NDC covered by the guidance?
- http://unfccc.int/paris_agreement/items/10143.php



Next steps - Article 6.4 Roundtable

- What are the options for establishing additionality and/or baselines in the context of the host Party's NDC?
- What are the options for implementing an overall mitigation of global emissions?
- How can use of emission reductions from 6.4 activities by more than one Party to demonstrate achievement of its NDC be avoided?
- What are the options for the transition of the rules/projects/credits under the Kyoto Protocol, if there is any transition at all?
- http://unfccc.int/paris_agreement/items/10143.php



Next steps - Article 6.8 Roundtable

- What actions would facilitate the implementation and coordination of non-market approaches and enhance linkages and create synergy?
- How should the draft CMA decision on the work programme (as per 1/CP.21 paragraph 40) guide work under the framework?
- What should be the organizational arrangements for the framework?
- http://unfccc.int/paris_agreement/items/10143.php



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