Implementation of Article 6 of the Paris Agreement – status and pathways to COP24

IEA/IETA/EPRI, October 2017
Focus of presentation

• What is the wider context of the Paris Agreement implementation work?

• What is happening in Article 6 implementation at the moment?

• What are the pathways towards Article 6 implementation by COP 24?
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
  • Article 6 approaches are tools to support that

• **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

- Accounting for the NDC
- Conditional parts of NDCs
- Accounting for ITMOs used for NDCs
- 6.4 mechanism in the context of NDCs
- Role of non-markets in implementing NDCs
- Information to be reported and its review
- Facilitative compliance
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
What are the Parties doing to implement Article 6?

- Article 6 work programmes started in May 2016 to implement three parts of the Article
  - Use of ITMOs from cooperative approaches
  - Mechanism
  - 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

- In November 2017, Parties will meet again to discuss implementation of Article 6 work programmes
Round-table discussions in May 2017

- Cooperative approaches
  - Operationalization and scope of 6.2 accounting
  - Operationalization of environmental integrity and transparency in 6.2

- The mechanism
  - Implications of NDCs on the mechanism
  - Assimilating experience into the mechanism

- The framework for non-market approaches
  - Identifying and enabling non-market approaches
  - Operationalization of the framework
Q1 Topic 1
Facilitate the identification
- Identify the areas we aim to achieve
  in adaptation mitigation and adaptation
  implementation
- Identify the best country NDCs
- Enhance public/private participation
- Linkage to other articles of the FA
What are key issues in the work programmes?

• Cooperative approaches
  
  • **Internationally transferred mitigation outcomes (ITMOs).** What could these include?

  • Avoiding double counting, including through corresponding adjustment. **How will accounting for transfers of ITMOs used towards NDCs work?**

  • **What guidance should there be on environmental integrity, sustainable development and transparency, including in governance?**
What are key issues in the work programmes?

• The mechanism
  • How should the mechanism be governed?
  • What should be credited?
  • How should the mechanism deliver overall mitigation of global emissions?
  • What should happen to existing mechanisms like the Clean Development Mechanism and Joint Implementation – projects, credits/units and infrastructure?
What are key issues in the work programmes?

• The framework for non-market approaches
  • How should the framework be organized?
  • Are all non-market approaches included?
  • What reporting of use of non-market approaches towards NDCs is needed?
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
Pathways to COP 24 (December 2018)

• Article 6 is part of the overall Paris work programme – follows the same pathway

• Parties need to decide in November how to move towards draft text with options

• In addition, or instead, submissions, technical papers and workshops are the “usual tools” for UNFCCC work

• “Landing zones” are becoming clearer, but real negotiation and compromise are required
  • Opportunities for all Parties to (voluntarily) participate in Article 6
  • Ensure future flexibility but also ensure environmental integrity
  • Avoid perverse incentives that undermine ambition and progression
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