

Session 7: To participate or not to participate: Decision-making strategies from a host country perspectives



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Participation in cooperative approaches under Article 6 of the Paris Agreement



Parties to the Paris Agreement may choose to pursue **voluntary cooperation** in the implementation of their climate actions (Nationally determined contributions: NDCs) to allow for:

- **Higher ambition** in their mitigation and adaptation actions;
- To promote **sustainable development**; and
- To promote **environmental integrity**.

Ref: Article 6.1 of the Paris Agreement



Higher ambition

Article 6 allows for high mitigation ambition through promoting **cost-effective mitigation actions, access to low-carbon technologies, carbon finance, and capacity building**. Article 6 also have elements which considers contribution to adaptation efforts.



Sustainable development

Article 6 promotes sustainable development objectives of the host country, including by **delivering environmental, economic and social co-benefits** as well as promoting progress towards **Sustainable Development Goals (SDGs)**.



Environmental integrity

Article 6 cooperative approaches must ensure environmental integrity which includes by having **robust, transparent governance** and the **quality of mitigation outcomes**.

Key consideration for authorization criteria

- ❑ How the authorization ensures that the mitigation activity contributions to the implementation of the country's NDC (Ref: [Decision 2/CMA.3, annex, para. 4 \(f\)](#))
- ❑ How the authorization ensures that the transfer of mitigation outcomes will not undermine the country's ability to achieve its own NDC
- ❑ How the authorization addresses elements required for Article 6 reporting, including on, among others, environmental integrity and sustainable development (Ref: [Decision 2/CMA.3, annex, paras. 18-22](#))

Examples of ITMOs authorization criteria: NDC and ambition

Topics	Authorization criteria	Applied by (Example countries)
Relation to NDC	<input type="checkbox"/> Be an activity or technology from conditional mitigation measures in the NDC	Ghana
	<input type="checkbox"/> Be an activity that leads to GHG reduction/removal in addition to national GHG mitigation plans	Thailand
	<input type="checkbox"/> Included in 'positive list' of mitigation activities	Cambodia
	<input type="checkbox"/> Not included in 'red list' of mitigation activities (falls within unconditional mitigation measures)	Ghana
Technology aspects	<input type="checkbox"/> Promote development and transfer of advanced technology or innovation	Thailand
	<input type="checkbox"/> Comply with applicable technologies in the CDM positive list of technologies	Ghana
	<input type="checkbox"/> Avoid locking in carbon-intensive technologies or practices	Switzerland
Financial aspects	<input type="checkbox"/> Require a large amount of investment	Thailand

...See next slide for further criteria...

Examples of ITMOs authorization criteria: Environmental integrity

Participating countries are required to report on how each cooperative approach ensures environmental integrity (Decision 2/CMA.3, annex, para. 18 (h), 22 (b)). Article 6.2 guidance describes key consideration on environmental integrity which countries may incorporated into the authorization criteria to ensure alignment of implementation with the Article 6.2 guidance.

Topics	Authorization criteria
Environmental integrity (EI)	<input type="checkbox"/> Comply with EI and related requirements under Article 6.2
	<input type="checkbox"/> Real, verified additional (2/CMA.3, annex, para. 1 (a))
	<input type="checkbox"/> No net increase in global emissions (2/CMA.3, annex, para. 18 (h)(i))
	<input type="checkbox"/> Conservative reference levels, conservative baseline below BAU (2/CMA.3, annex, para. 18 (h)(ii))
	<input type="checkbox"/> Taking into account all existing policies (2/CMA.3, annex, para. 18 (h)(ii))
	<input type="checkbox"/> Addressing uncertainties in quantification and potential leakage (2/CMA.3, annex, para. 18 (h)(ii))
	<input type="checkbox"/> Minimizing the risk of non-permanence (2/CMA.3, annex, para. 18 (h)(iii))

Remarks: Countries may set higher standards or elaborate further on the elements addressed in Article 6.2.

Examples of ITMOs authorization criteria: Sustainable development and related matters

Participating countries are also required to report on other information relating to environmental, economic and social impacts, human rights, and sustainable development (Decision 2/CMA.3, annex, para. 18 (i), 22 (f-h)). Below are examples of approaches countries may take to incorporate these elements into the authorization criteria.

Topics	Authorization criteria	Applied by (Example countries)
Sustainable development	<input type="checkbox"/> Apply appropriate sustainable development tools available by applicable crediting mechanism/standards	Ghana, Singapore
	<input type="checkbox"/> Apply sustainable development tools developed domestically or jointly by partner countries	Japan, Thailand
Safeguards / no net harm	<input type="checkbox"/> Refer to domestic regulations relating to environmental impact assessment	Ghana, Thailand
	<input type="checkbox"/> Must not violate any applicable laws	Most countries
	<input type="checkbox"/> Incorporate into sustainable development guideline/tools	Thailand
Respect for human rights	<input type="checkbox"/> Require specification in the mitigation activity design document	Ghana
	<input type="checkbox"/> Incorporate into sustainable development guideline/tools	Thailand

Examples of ITMOs authorization criteria: Other criteria

Topics	Authorization criteria	Applied by (Example countries)
Mitigation activity MRV standards	<input type="checkbox"/> Apply eligible crediting mechanism/standards (Eligibility criteria / list of eligible mechanism/standards provided)	Singapore, Cambodia
	<input type="checkbox"/> Apply bilateral mechanism/standards jointly developed by participating countries	Japan
	<input type="checkbox"/> Apply national/domestic crediting mechanism/standards	Thailand
Authorization period	<input type="checkbox"/> Align with Article 6.4 crediting period	Cambodia
	<input type="checkbox"/> Within the NDC time frame	Thailand
Share of mitigation benefits	<input type="checkbox"/> Share of GHG ERs reserved for domestic use	Cambodia
	<input type="checkbox"/> Set forth a fair allocation of carbon credits	Thailand

Thank you for your attention

Any questions

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