

# Article 6 Outcomes - SBSTA 60 (2024) - Bonn

PMI Global Knowledge Forum 2024 – Cartagena – VIRTUAL



# Article 6: co-operation towards NDCs

## Cooperative approaches

### Articles 6.2 and 6.3 and decision 1/CP.21, paragraph 36

Bilateral/multilateral cooperation between interested countries, involving transfers of the mitigation outcomes produced through such cooperation

## The mechanism

### Articles 6.4 to 6.7 and decision 1/CP.21, paragraphs 37 and 38

To be operated centrally (UNFCCC secretariat), credits emission reductions by public and private sector actors, allows for international transfer of those credits

## Framework for non-market approaches

### Articles 6.8 and 6.9 and decision 1/CP.21, paragraphs 39 and 40

Facilitates climate action through international cooperation focused on sustainable development and poverty eradication (and does not involve trading)



## Article 6, paragraph 2, of the Paris Agreement – Outstanding issues

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### ▪ Authorization

- a) **Types:** Three separate types of authorization (cooperative approaches, entities and ITMOs) or one unified process
- b) **Format:** Is it a voluntary authorization form, a mandatory authorization form, or no form at all?
- c) **Content:** What information is required in the authorization? (6.4 inclusive)
- d) **Changes:** can an authorization be changed or revoked or not? If it can, when and under what circumstances? (6.4 inclusive)

### ▪ Sequencing

- a) Does the **review of initial report** including resolution of any material inconsistencies need to be **completed before the agreed electronic format can be submitted?**

### ▪ Registries

- a) Did CMA.3 and CMA.4 agree to two registry approaches for Article 6.2 registries, including the international registry (i.e. **hold and transfer ITMOs as units and pull and view data about units held and transferred in underlying registries**) **OR** agree to only one registry approach (i.e. **pull and view data about units only**)?

### ▪ Agreed electronic format

- a) Are we **adopting an updated AEF in Baku** after testing the drafts from Sharm?



## Article 6, paragraph 4, of the Paris Agreement – outstanding issue

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- **Authorization of the use of A6.4 ERs**
  - a) **Timing:** can you authorize the use of A6.4 ERs after issuance? (6.4 specific)
  - b) **Mitigation Contribution Unit (MCU):** If at issuance there is no authorization statement provided by host Party, can A6.4ERs be issued as MCUs by default? (6.4 specific)
  
- **Mechanism registry**
  - a) **The nature of the connection:** can authorized A6.4 ERs in the mechanism registry be transferred and held in the international registry, OR can the international registry only pull and view data about the A6.4 ERs from the mechanism registry?
  - b) **Participating Party registry connection to the mechanism registry:** can the participating Party registry directly connect to and receive authorized A6.4 ERs from the mechanism registry?

**The Supervisory Body (SBM) will complete its work on methodologies and removals guidance. Parties need to consider how and at what level they will engage with the work of SBM on these matters.**



## Article 6. 2 & 6. 4 outcomes from Bonn SB 60

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- **Draft texts for A6.4 and 6.2 are now owned by Parties**
  - a) Almost everyone's views are captured – Draft text forwarded to consider in SBSTA 61
- **General agreement to request the secretariat to implement and update the status to CMA (A.6.2)**
  - a) Common nomenclatures
  - b) Confidentiality
  - c) Code of conduct for A.6 TERs –
- **General agreement to forwarding discussion on certain issues to a future session**
  - a) **A6.4:**
    - National arrangements moved to 2028
    - Avoidance to 2028 - Emission avoidance is not included in the current RMPs
  - b) **A6.2:**
    - Avoidance to 2028



# Article 6.2 outlook for 2024

CMA 5 Dubai requested SBSTA to continue consideration of the relevant matters mandated by decision 6/CMA.4 (WP from Sharm),

- Revision of the A.6 Manual
- Training material for review
- Preparation for A.6 centralized review
- **SBSTA chair outreach with HODs (Approach &Text)**

- Revised A.6 Manual – 8<sup>th</sup> July 2024
- Review training material – 8<sup>th</sup> July 2024
- RSA forum meeting for business rules and communication protocols
- **Intersessional workshop – October 2024**

Jan Feb Mar Apr May June July Aug Sept Oct Nov Dec

- **Centralized Accounting and Reporting Platform (CARP):**
  - **A.6 Nomenclature**
  - **Assigning Co-op Approach identification**

SB 60

Training of experts  
Centralized review (first)

SB 61

CMA 6

Secretariat reports

Progress on  
implementation

**Secretariat:** infrastructure development, review arrangements, capacity building



# Article 6.4 work programme (2024)

SBSTA

## Registry

- Connection between IR&MR and other registries

## Authorization on the use of A6.4ERs

- Timing
- Information
- Revision/ Revocation

## Expanded scope of the mechanism

- Inclusion of avoidance and conservation enhancement

- **NO intersession work**

Supervisory Body

## Activities involving removal

- Operationalization of removals

## Requirements for methodologies

- Guidance on methodologies

## Operationalization of mechanism

- Activity cycle
- Methodology development,
- Accreditation
- Transition of CDM activities

CMA 6

- **SBSTA to continue consideration of the relevant matters mandated by decision 7/CMA.4 at SBSTA 60, with a view to recommending a draft decision for consideration and adoption by CMA 6:**
- **The 6.4 SBM to continue the relevant work to operationalize the mechanism, with a view to elaborating and further developing recommendations for consideration and adoption by CMA 6**



## KEY DELIVERABLES AND OUTSTANDING ISSUES ON PACM

## The SBM in its work to operationalize the A6.4 PACM - SBM post COP 28

- **CMA Outcomes:**

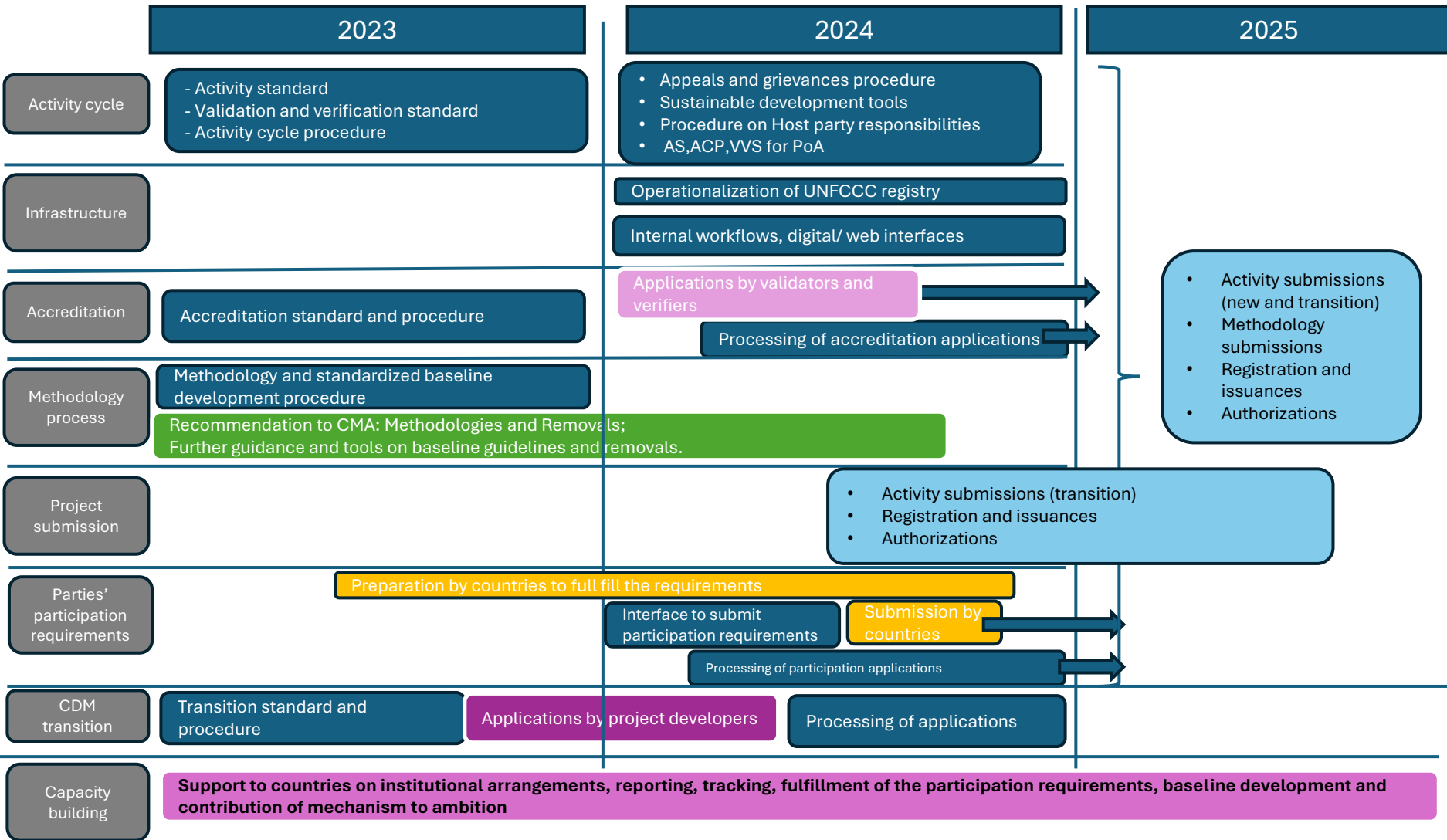
- The (lack of) outcomes on A.6.4 at COP 28 is **wake up call for removal type of activities in carbon markets**, not just for A.6.4 (60% of traded volume in VC markets).
- The eventual outcome on methodological and removal guidance will set principles on how countries view permanence, reversal and environmental integrity.
- **Implementation:**
- **Interim Mechanism registry** would be in place by **Oct 2024** to issue A.6.4 units.
- As on date **75 countries designated national authorities** to deal with A.6.4, with two countries fulfilled their participation responsibilities.
- **1500+ CDM Activities submitted for transition under the PACM**, if approved by host parties, these activities can deliver A.6.4 ER units in 2024.
- A.6.4 standards are fully aligned with Paris and Glasgow rule books and would set **global benchmark for baseline and crediting mechanism standards**.

- Will fulfil all mandates and tasks assigned to it in accordance to the Rules, Modalities and Procedures (RMP)
- Forward recommendations to CMA 6 in Baku, Azerbaijan,
- Inform the CMA of its progress and seek further guidance, as needed
- Continue the relevant work to operationalize the PACM
- Develop standards, guidelines, and tools as necessary to enable the approval of A6.4 methodologies and thus registration of new A6.4 activities without delay





# PACM IMPLEMENTATION – Where we are and what next ??



THANKS



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