

# SBSTA 56 UPDATES AND ARTICLE 6 WORK AHEAD

**National level strategies and policy framework for international carbon markets,**

Global knowledge forum PMIF

5 - 7 July 2022



## Implementation of A.6.2 in 2022 (through the work of SBSTA)

Outcomes (further guidance)	SBSTA 56 outcomes
<b>Reporting</b> : Tables and Outlines	SUB, TP, WS
<b>Review</b> : Guidelines	SUB, TP, WS
<b>Infrastructure</b> : Recommendations for implementation: <ul style="list-style-type: none"><li>• Connections between IR and MR</li><li>• Survey choice between implementing a registry, having access to a registry and using IR</li></ul>	SUB, TP, WS
<b>ITMOs</b> - Inclusion of 'avoidance'	SUB
<b>Accounting rules</b> LDCs/SIDS circumstances ; Corr. adjustments	SUB
<b>SBSTA CHAIR TO PRODUCE INFORMAL TEXTUAL PROPOSALS WITH DRAFT DECISIONS</b>	
<b>UNFCCC – Update the status of work on the CB and implementation plan</b>	



## Implementation of 6.4 RMP (through work of SBSTA)

Substantive aspects	Outcomes (further guidance)	SBSTA 56 outcomes
<b>Roles of host Party</b>	<ul style="list-style-type: none"> <li>• Elaboration and application of national arrangements for the mechanism under the approval and supervision of the A.6.4 SB</li> </ul>	SUB
<b>Scope</b>	<ul style="list-style-type: none"> <li>• Inclusion of Avoidance</li> </ul>	SUB
<b>Process implementation</b>	<ul style="list-style-type: none"> <li>• Mechanism registry</li> <li>• SOP for adaptation</li> <li>• OMGE</li> </ul>	SUB, TP, WS
	<ul style="list-style-type: none"> <li>• Transition of activities</li> </ul>	SUB, TP, WS
	<ul style="list-style-type: none"> <li>• Use of CERs towards first or first updated NDCs.</li> </ul>	SUB, TP, WS
<b>Reporting</b>	<ul style="list-style-type: none"> <li>• Reporting by host Parties on their Article 6, paragraph 4, activities</li> </ul>	SUB, TP, WS

### SBSTA CHAIR TO PRODUCE INFORMAL TEXTUAL PROPOSALS WITH DRAFT DECISIONS

UNFCCC – Update the status of work on the CB and implementation plan



## Mandates related to article 6.4 RMP (through A.6.4 SB)

<b>Substantive aspects</b>	<b>Outcomes (further decisions at CMA)</b>
<b>Rules of procedure for the Supervisory Body</b>	<ul style="list-style-type: none"><li>• RoP and to operate and hold meetings based on the annex pending any further guidance</li></ul>
<b>SOP for administration</b>	<ul style="list-style-type: none"><li>• Appropriate levels including to enable a periodic contribution to the SOP for adaptation for the Adaptation Fund</li></ul>
<b>Methodology procedures 6.4</b>	<ul style="list-style-type: none"><li>• The application of the requirements in the methodologies</li></ul>
<b>Elaboration for removal activities 6.4</b>	<ul style="list-style-type: none"><li>• Appropriate MRV provision, addressing reversals, avoidance of leakage, and avoidance of other negative environmental and social impacts</li></ul>



## Implementation of 6.8 through work of SBSTA

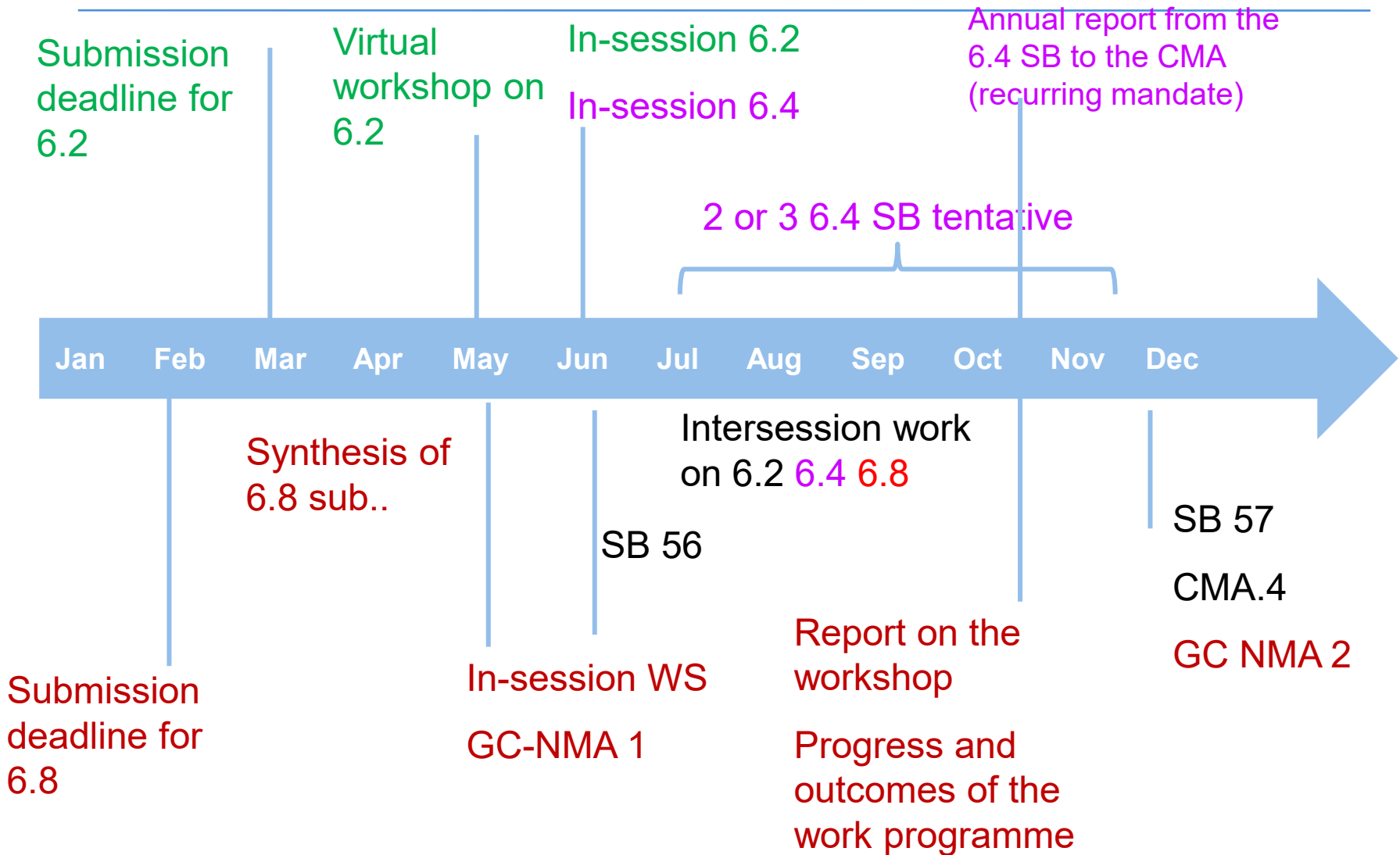
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Outcomes (further guidance)	SBSTA 56 outcomes
• Elements of a draft decision on the <b><u><i>schedule for implementing the activities of the WP</i></u></b> on A.6.8	SUB, TP
• The <b><u><i>specifications</i></u></b> for the UNFCCC web-based platform	SUB, TP
• Actions that facilitate the implementation of NDC and can be identified, developed and implemented through the framework for NMAs;	SUB
• NMAs related to initiatives, programmes and activities;	SUB
• How NMA initiatives and programmes, consistent with the framework for NMAs have addressed the elements of chapter II, paragraph 3(e), of the annex to decision 4/CMA.3 and other relevant criteria determined by the participating Parties, as relevant.	SUB ,TP

**SBSTA CHAIR TO PRODUCE INFORMAL TEXTUAL PROPOSALS WITH DRAFT DECISIONS**



# Timeline for article 6 2022



## Capacity building under A6.2 and A6.4

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### Article 6.2 Capacity-building programme including through RCCs in consultation with parties

- a) Support the development of institutional arrangements, including reporting
- b) Help Parties ensure that co- op approaches support ambition;
- c) Assist the LDC and SIDs in meeting the participation requirements.

### Article 6.4 – Capacity building programme including RCC in consultation with 6.4 SB and parties

- a) Establish the necessary institutional arrangements to implement the requirements;
- b) Develop the technical capacity to design and set baselines for application in host Parties;
- c) Capacity-building in developing countries to apply the Article 6.4 mechanism, and support for the transition – CMP mandate



## Institutional Arrangements – Article 6

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### **ARTICLE 6.4**

- (a) It is a Party to the PA ; Maintaining NDC;
- (b) It has DNA for the mechanism and has communicated that designation to the secretariat;
- (c) It has indicated publicly to the 6.4 SB how its participation in the mechanism contributes to SD , while acknowledging that the consideration of SD is a national prerogative;
- (d) It has indicated publicly to the 6.4 SB the types of Article 6, paragraph 4, activity that it would consider approving (Approval and authorization).
- (e) How such types of activity and any associated emission reductions would contribute to achievement of the LDC, LT-LEDS, and Long-term goals of the Paris Agreement.
- (f) Baseline approaches and crediting periods (May requirements).

### **ARTICLE 6.2**

- (a) It is a Party to the PA; maintaining NDC; NIR
- (b) It has arrangements in place for authorizing and tracking the use of ITMOs towards achievement of NDCs pursuant to Article 6, paragraph 3;
- (c) Its participation contributes to the implementation of its NDC and LT-LEDS and the long-term goals of the PA.





## Key Messages | Africa



- 1. The following areas were stressed:**
  - Authorization of ITMOs;
  - Circumstances of LDCs and SIDS.
  - Managing corresponding adjustments.
  - Setting baselines.
  - Robust reporting
- 2. A request for UNFCCC to **develop a blueprint document** or a framework document detailing the steps of the implementation process for Article 6.2, Article 6.4, and Article 6.8.**
- 3. The parties were requesting additional support in **communicating to the Private Sector** the potential of carbon markets under Article 6 and with help to rebuild trust.**
- 4. Limited budgets calls for **innovative approaches** to ensure that the governments can **enable private sector participation** without causing extra costs to itself.**





1. Support is needed to understand **linkages between Article 6 and Carbon pricing instruments**.
2. Support for development and implementation of **legal instructional arrangements, including reporting**.
3. Due to the **connection of Article 6 with NDCs** makes it imp have information on **long term trajectory for how it will hel, and modeling capacities of what information countries need to use**.
4. **On Article 6.8 a common doubt was how the mechanism is interacting with REDD+**, countries looking into framework for 6.8 regarding results-based payments.
5. **Adaptation finance** was mentioned to include activities into 6.8 without involving transfer of mitigation outcomes.
6. **Workshop activities with case solving were proposed** as useful instruments to address specific cases in the region.

## Key Messages | Asia-Pacific and MENA



1. **Aligning national mitigation activity**, crediting in particular standards with environmental integrity and sustainable development requirements of Article 6.
2. **Assessing required improvement to national registry for tracking ITMOs** in accordance with the guidance for registries (to be adopted by CMA 4) and for providing necessary information for annual reporting.
3. **Developing baseline approaches** and other methodological requirements to be applied for Article 6.4 activities.
4. **Developing national arrangements for accreditation of operational entities (DOEs)** for Article 6.4 (not only for government agencies, but also of the entities of each country).
5. **Transition from CDM to Article 6.4**, private sector would like to know how to register with UNFCCC and earn credits.



## PRIORITY BASED ON PARTY SUBMISSIONS



Row Labels	Ranking
Article 6.2: Supporting Parties on the development of institutional arrangements, including in relation to reporting.	56%
Article 6.2: Supporting Parties ensure that its participation in the cooperative approach and the authorization, transfer and use of ITMOs is consistent with the guidance on cooperative approaches and relevant decisions.	42%
Article 6.4: Develop the technical capacity to design and set baselines for application in host Parties.	37%
General outcomes of the COP26 decisions and SB56 outcomes in relation to Article 6.	33%
Article 6.2: Helping Parties ensure that cooperative approaches in which they participate support ambition.	33%
Article 6.4: Assisting the LDCs and SIDSs in meeting the participation requirements.	22%
Article 6.2: Assisting the LDCs and SIDSs in meeting the participation requirements.	22%
Article 6.4: Supporting Parties on the development of institutional arrangements, including in relation to reporting.	19%
Article 6.4: Supporting Parties on the development of institutional arrangements, including in relation to participation and authorization.	15%
Article 6.4: Helping Parties ensure that the mechanism in which they participate support ambition.	10%



# THANK YOU



A.K.Perumal  
Team Lead  
[parumugam@unfccc.int](mailto:parumugam@unfccc.int)

