

# Article 6 of the Paris Agreement

16th IEA-IETA-EPRI Annual Workshop on Greenhouse Gas Emission Trading  
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# Purpose of presentation

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- Introduction to Article 6 of the Paris Agreement
- Presentation of current state of work



# “Impossible isn’t a fact: its an attitude”\*

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- **“Markets” and “non markets”** were included in short form in the Lima Call for Climate Action (decision 1/CP.20), which contained elements for a draft negotiating text.
- ADP 2.8 February 2015 produced the **“Geneva Negotiating Text”** – pages of markets text and principles.
- As part of **mitigation** discussions, they were **“way back in the queue”** in terms of time allocated to negotiations.
- **Keeping them in the draft text was a repeated, year-long challenge:**
  - In the July **“Co-Chairs Tool”** markets and non-markets text was **“unallocated”** – not placed in draft agreement or accompanying draft decision
  - In October, they all but **disappeared from the Co Chairs “Non Paper”** (very draft agreement). **Parties reacted strongly against the Non-Paper on all issues (and put in lots of text on markets and non-markets).**

# “Impossible isn’t a fact: its an attitude”\*

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- Real negotiation of **“red line” issues came late in the year and primarily** in Paris (during ADP and COP). What emerged was the **need for a separate article addressing all aspects.**
- **Markets and non-markets nearly ran out of time** – Article 6 was the last article finalized (early am Saturday 12 December).
- **Close, but not impossible ...**



# Article 6

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- Article 6 is about using **cooperative approaches** to **enhance ambition** and **promote sustainable development and environmental integrity** in the implementation of nationally determined contributions
- Closely connected to nationally determined contributions, mitigation accounting and the transparency framework ...
- Three siblings, each very different
- **Cooperative approaches**
- **Mechanism** to contribute to mitigation and support sustainable development
- **Framework for non-market approaches** to sustainable development



# Article 6 – Cooperative approaches

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## Article 6, paragraph 2

- **Internationally Transferred Mitigation Outcomes (ITMOs)**
- Used by Parties **towards NDCs**
- Voluntary basis
- Promote **sustainable development and ensure environmental integrity and transparency**, including in **governance**
- **Robust accounting** to ensure avoidance of double counting
- Consistent with **guidance** adopted by CMA

## Article 6, paragraph 3

- **Use to achieve NDCs to be authorized** by participating Parties

## Decision 1/CP.21, paragraph 36

- SBSTA to **develop guidance** under Article 6, paragraph 2 including guidance to **ensure double counting is avoided on basis of corresponding adjustment** by Parties



# Article 6 – The mechanism

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## Article 6, paragraph 4

- To contribute to **mitigation and support sustainable development**
- **Voluntary**
- Supervised by body designated by CMA and under guidance and authority of CMA
- Aims:
  - Promote mitigation while fostering sustainable development
  - Incentivize and facilitate **participation by public and private entities**
  - Contribute to **reductions in host, use by other Party to fulfil NDC**
  - **Deliver overall mitigation**

## Article 6, paragraphs 5,6,7

- **No double use**
- **Share of proceeds**
- Rules, modalities and procedures for CMA 1



## Article 6 – The mechanism

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### Decision 1/CP.21, paragraph 37

- Recommends **rules, modalities and procedures** on basis of:
  - Voluntary participation authorized by each Party involved
  - **Real, measureable, and long term benefits** related to mitigation
  - **Specific scopes** of activities
  - Reductions that are **additional**
  - **Verification and certification** of emission reductions by DOEs
  - **Experience gained with and lessons learned from existing mechanisms**

### Decision 1/CP.21, paragraph 38

- Rules, modalities and procedures at first session of CMA





# Article 6 – Non-market approaches

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## Article 6, paragraph 8

- Recognize importance of **integrated, holistic and balanced non-market approaches**
- Assist in **implementation of NDCs in context of sustainable development and poverty eradication**
- Coordinated and effective manner, including through mitigation, adaptation, finance, technology transfer and capacity-building
- Aim to:
  - **Promote mitigation and adaptation ambition**
  - Enhance **public and private sector participation** in implementation of NDCs
  - Enable opportunities for **coordination across instruments and relevant institutional arrangements.**

## Article 6, paragraph 9

- Framework for non market approaches to sustainable development



# Article 6 – Non-market approaches

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## Decision 1/CP.21 paragraphs 39 and 40

- **Work programme** with objective of:
  - Considering how to enhance linkages and create synergy
  - Facilitate implementation and coordination of non-market approaches
- **Draft decision** on work programme
  - Taking into account views of Parties



# Status of current work

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- The three elements are **now each in a work programme** in the SBSTA:
  - Cooperative approaches – guidance
  - Article 6.4 mechanism – rules, modalities and procedures
  - Framework for non-market approaches – work programme, draft decision for consideration and adoption
- Party and Observer submissions were invited before Marrakech conference – **many submissions, with a good level of detail**
  - Parties:  
[Submission Portal Parties](#)
  - Observers:  
[Submission Portal Observers](#)



# Article 6 of the Paris Agreement

