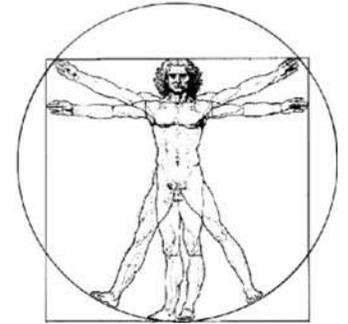


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Cooperative Approaches

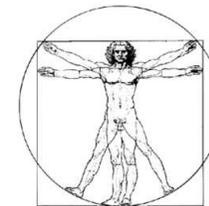
Market and non-market approaches to cooperation under Article 6 of the Paris Agreement

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for sustained capacity building in support of international climate change negotiations
pour un renforcement durable des capacités en appui aux négociations internationales
sur les changements climatiques

Cooperation modalities under Article 6 of the PA



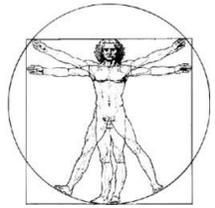
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A. Opportunity for international cooperation when implementing their NDCs

1. Market-based cooperation: transfer of mitigation outcomes, through bilateral cooperation (6.2) or trading of mitigation outcomes credited by the UNFCCC (6.4)
2. Non-market based approaches: climate finance, technology transfer, capacity-building, identification of synergies, development of tools, institutional coordination

B. Key principles

1. Protect environmental integrity (no increase in emissions)
2. Raise ambition in NDCs, not undercut it
3. Promote sustainable development

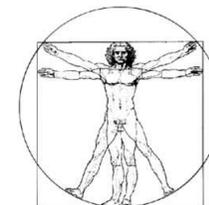


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Article 6.2

“Parties shall, where engaging on a voluntary basis in cooperative approaches **that involve the use of internationally transferred mitigation outcomes [ITMOs] towards nationally determined contributions**, promote sustainable development and ensure environmental integrity and transparency, including in governance, and shall apply robust accounting to ensure, inter alia, the avoidance of double counting, consistent with guidance adopted by the CMA.”

Article 6.2



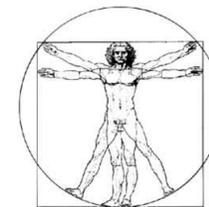
Cooperative approaches designed and implemented in direct cooperation by the Parties

- Guidance on the accounting of *internationally transferred mitigation outcomes (ITMOs)*.
- Main objective: Prevent double counting of mitigation outcomes through a *corresponding adjustment*

Key political unresolved issues are:

1. What are ITMOs? Do they have internationally defined characteristics?
 - Are they *credits* or pure *accounting units*?
 - Can they be created for any form of mitigation? Or are some sectors and activities (REDD+) excluded?
2. Can ITMOs be used by private companies and other compliance schemes? (e.g. CORSIA)

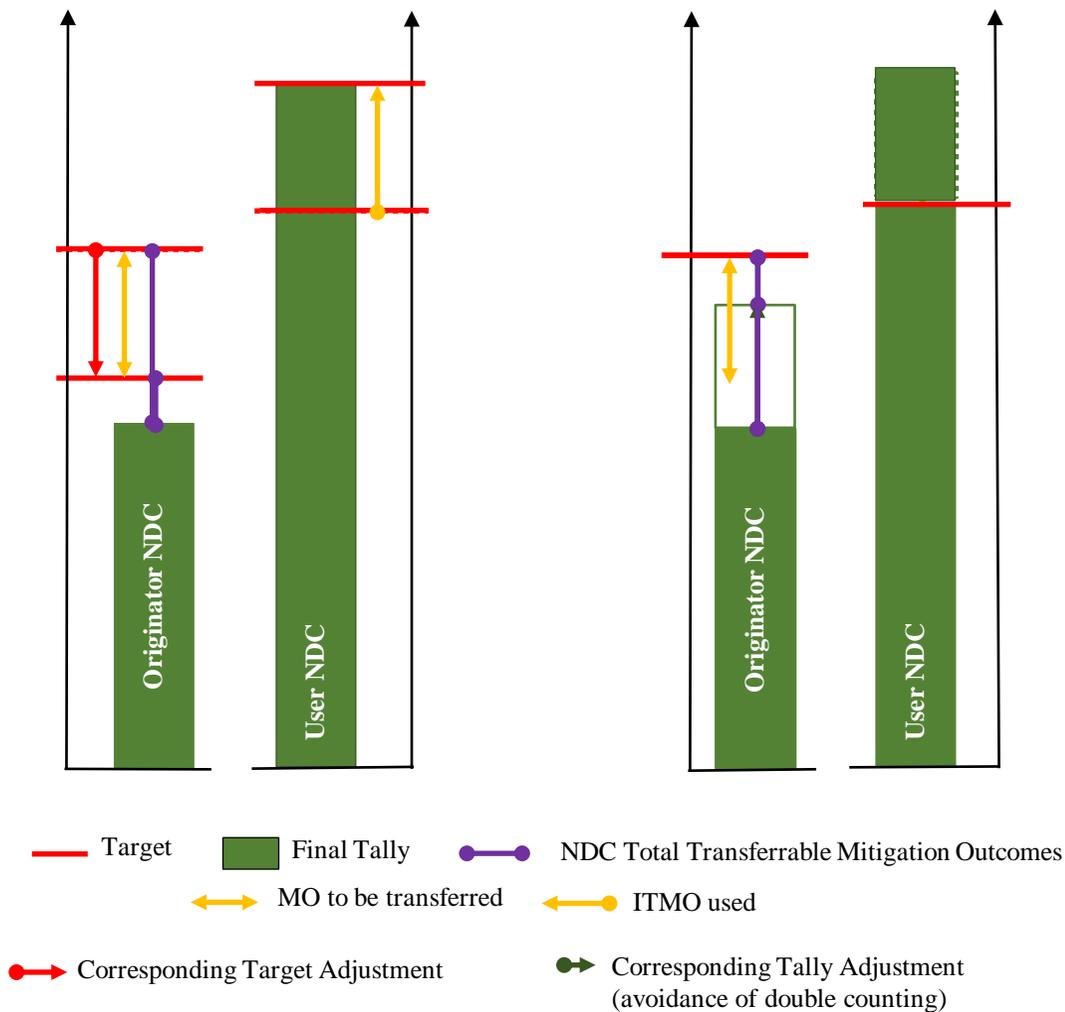
Article 6.2: Corresponding Adjustments for NDC ITMOs

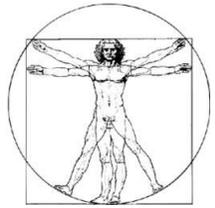


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(a) *Target-based approach*

(b) *Tally-based approach*



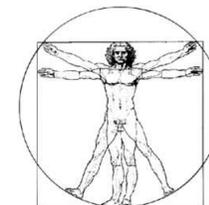


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Article 6.4

“A **mechanism to contribute to the mitigation of greenhouse gas emissions and support sustainable development is hereby established** under the authority and guidance of the CMA for use by Parties on a voluntary basis. It shall be supervised by a body designated by the CMA, ...”

Article 6.4: A market-based mechanism

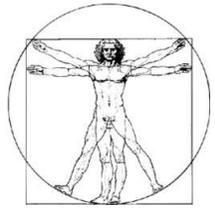


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- Supervisory Board that oversees and approves the issuance of A6.4ERs. (Successor of the CDM).
- Activities must prove they are additional
- Activities shall promote sustainable development
- Emission reductions are calculated and verified against crediting baselines
- The host country must approve the activity and authorize the international transfer of the A6.4ERs
- The mechanism generates finance for adaptation through the share of proceeds

Key issues unclear are:

1. The scope of the activities (REDD+)
2. The use of A6.4ERs through private companies or in other compliance schemes (e.g. CORSIA)
3. Can they be generated from outside the NDC sector?
4. Must they involve corresponding adjustments?

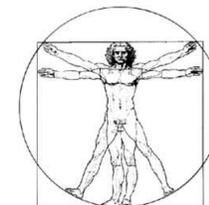


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Article 6.8

“Parties recognize the importance of **integrated, holistic and balanced non-market approaches** being available to Parties to assist in the implementation of their nationally determined contributions, in the context of sustainable development and poverty eradication, in a coordinated and effective manner, including through, inter alia, mitigation, adaptation, finance, technology transfer and capacity building, as appropriate.”

Article 6.8: Promoting non-market approaches



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- Parties are negotiating a work programme to implement a framework on non-market based approaches
- NMAs can be implemented for: mitigation, adaptation, technology transfer, capacity building
- Key unresolved issues:
 - The objective of the work programme:

Framework as a mechanism

Identify **funding opportunities**, mobilize resources for the implementation of NMAs.



Instrument for the sharing of experiences

Work on **tools and platforms** that facilitate the engagement with NMAs.



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- The governance of the framework

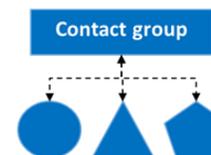
Framework as a mechanism

Centralized institutionalisation for implementation of the work programme

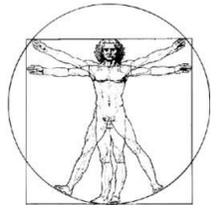


Instrument for the sharing of experiences

Decentralized and weaker institutionalisation



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Thank You!