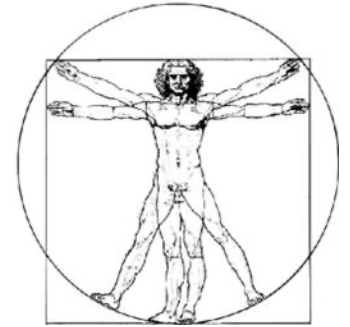


ecbi



# Update on Article 6 negotiations

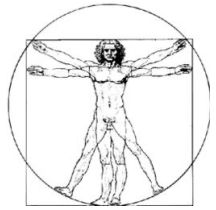
Markets and Non-Market Approaches

Kristin Qui

Climate Analytics Caribbean

[www.ecbi.org](http://www.ecbi.org)

# Article 6 background



ecbi

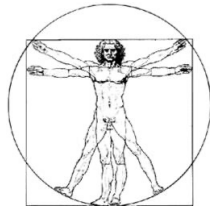
## Market based cooperative approaches

- **Article 6.2 = decentralized cooperative approaches** that involve the use of "internationally transferred mitigation outcomes" (ITMOs) toward NDCs or other international mitigation purposes or other purposes. Parties are negotiating guidance to ensure environmental integrity and transparency, including rules for accounting, tracking, reporting, and technical review.
- **Article 6.4 = a centralized crediting mechanism, overseen by the Article 6.4 Supervisory Body** that can generate credits (A6.4ERs) representing emission reductions or removals that can be used toward another Party's NDC or toward other international mitigation purposes. Work underway on rules setting out project cycle requirements and related fees, rules around 6.4 registry.

## Non-market based cooperative approaches

- **Articles 6.8 and 6.9 = a work programme on non-market approaches** that do not involve the transfer of outcomes between Parties.

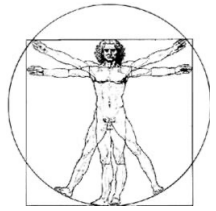
# COP28 Outcomes



ecbi

1. **Article 6.2** – decentralized cooperative approaches (plus reporting, registries, Centralized Accounting and Recording Platform)
  - No decision reached - divergence around many issues, but especially reporting tables
  
2. **Article 6.4** - centralized mechanism for generating emission reduction credits
  - No decision reached - divergence with regard to recommendations on methodologies and activities involving removals from Article 6.4  
Supervisory Body
  
3. **Article 6.8** – Agreed decision
  - Parties invited to make use of UNFCCC web platform
  - Submissions invited by 31 March on views and information on themes for spin off groups and on initial focal areas of work programme

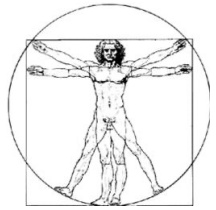
## Sticking points



ecbi

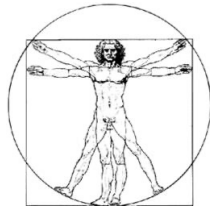
- Article 6.2:
  - **Agreed Electronic Format Table** – fundamental differences regarding the transparency of transactions.
  - **Definition of a cooperative approach** – whether or not there should be a definition, what that looks like and does it include unilateral activities?
  - **Sequencing and timing process** – what comes first? Should reviews of reports be completed first?
  - **Authorisation templates** – Should there be a template for authorisations and what would they include?
  - **Inconsistencies** – how to treat with inconsistencies?

## Sticking points



ecbi

- Article 6.4:
  - **Adoption of guidance on methodologies and activities involving removals**
  - **Registries** – linkages between national registries and international registry, whether the international registry addresses units and/or accounting amounts
  - **Authorisations** – can authorisations be revoked or changed? Should there be an authorization template and what should it include?
  - **Mitigation contribution units** – can these be authorised later?

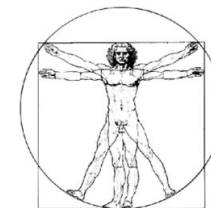


ecbi

Thank you for listening.

Questions?

# Intersessional Progress

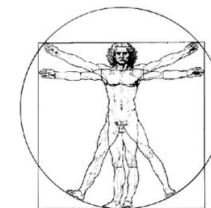


ecbi

Topic	Progress
<b>Article 6.2</b> - Secretariat is continuing to establish infrastructure for 6.2 and support capacity building	<ul style="list-style-type: none"><li>• International Registry and linked Mechanism Registry</li><li>• Article 6.2 Manual</li><li>• Centralized Accounting and Recording Platform (CARP)</li></ul>
<b>Article 6.4</b> – Supervisory Body is continuing its work to operationalize the mechanism	<ul style="list-style-type: none"><li>• Meetings in March and May thus far</li><li>• Recommendations on methodologies and removals outstanding</li><li>• Interactive event for stakeholders held on Monday, 3 June 2024</li></ul>

---

## Outstanding mandated work – Article 6.2



ecbi

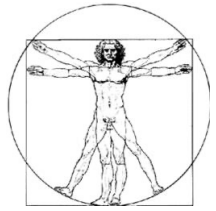
Existing mandates which may be taken up at COP29 include:

- Finalisation of the Agreed Electronic Format (AEF) for reporting quantitative and other information on ITMO transactions
- Finalisation of tables for the submission of annual information as part of “regular” information for biennial transparency reports
- Elaboration of further guidance in relation to corresponding adjustments for multi-year and single-year NDCs, in a matter that ensures the avoidance of double counting,
- Methods for establishing an indicative trajectory or trajectories or budget and for averaging, including with respect to relevant indicators, and for calculating cumulative emissions by sources and removals by sinks
- Methods for demonstrating the representativeness of averaging for corresponding adjustments by quantifying how much the yearly transaction volume differs from the average for the period
- Consideration of whether ITMOs could include emission avoidance
- The application of decision 2/CMA.3, paragraph 2, on authorised mitigation outcomes that that are authorised for both NDC use and for use for other international mitigation purposes.



## Outstanding mandated work – Article 6.4

The Article 6.4 Supervisory Body will continue its previously mandated work and the Secretariat will also continue its work in support of this body.



ecbi