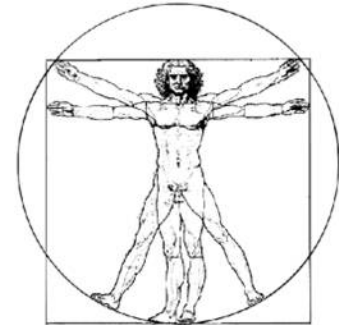


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Title

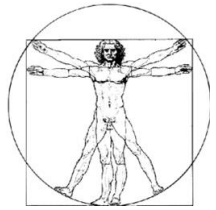
Articles 6.2 and 6.4 of the Paris Agreement:
Nuances and the Spirit of the Paris Agreement

Kishan Kumarsingh

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

Article 6.2

Parties shall, where engaging on a voluntary basis in cooperative approaches that involve the use of internationally transferred mitigation outcomes 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 Conference of the Parties serving as the meeting of the Parties to this Agreement.

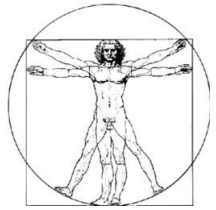


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Article 6.2

Key features:

- *Sets out the principles for voluntary co-operative approaches that involves ITMOs for NDC purposes*
- *promote sustainable development*
- *ensure environmental integrity and transparency*
- *governance*
- *no double counting subject to CMA guidance*

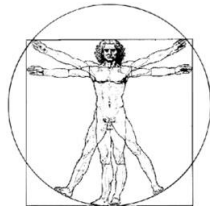


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Article 6.4

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 Conference of the Parties serving as the meeting of the Parties to this Agreement for use by Parties on a voluntary basis. It shall be supervised by a body designated by the Conference of the Parties serving as the meeting of the Parties to this Agreement, and shall aim:

- (a) To promote the mitigation of greenhouse gas emissions while fostering sustainable development;*
- (b) To incentivize and facilitate participation in the mitigation of greenhouse gas emissions by public and private entities authorized by a Party;*
- (c) To contribute to the reduction of emission levels in the host Party, which will benefit from mitigation activities resulting in emission reductions that can also be used by another Party to fulfil its nationally determined contribution; and*
- (d) To deliver an overall mitigation in global emissions.*



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Article 6.4

Key features:

- Supporting mitigation and sustainable development
- Under the authority and guidance of the CMA and UNFCCC supervisory body
- Mitigation in one Party that can be used to fulfill NDC target in another Party
- Deliver an overall mitigation in global emissions (OMGE)

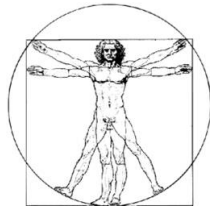
Further qualification by paragraph 37 of decision 1/CP.21:

- Mitigation action to be real, additional, measurable, long term, verified by designated operational entity

Further qualified by Article 6.5:

Emission reductions resulting from the mechanism referred to in paragraph 4 of this Article shall not be used to demonstrate achievement of the host Party's NDC if used by another Party to demonstrate achievement of its NDC.

i.e. no double counting

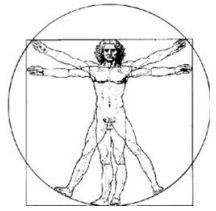


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Article 6.4

Further qualified by Article 6.6:

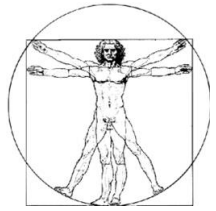
“....a share of the proceeds from activities under the mechanismis used to cover administrative expenses as well as to assist developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation.



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But.....Article 6.1

Parties recognize that some Parties choose to pursue voluntary cooperation in the implementation of their nationally determined contributions to allow for higher ambition in their mitigation and adaptation actions and to promote sustainable development and environmental integrity.



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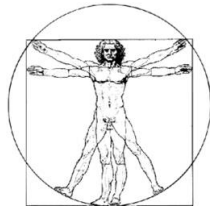
Issues:

- Language is bottom up
- On its own, not an implementable sub-Article
- Reasonable that 6.1 therefore defines the overarching ambit/context for 6.2 and 6.4?
-and therefore should there be congruence and alignment in the design of both 6.2 and 6.4?

Issues/Questions arising (non-exhaustive):

6.2: ITMOs

- Does it apply to situations only where international transfers are used for NDC achievement?
- Are ITMOs discrete ‘units’ that can be issued, used, transferred for purposes other than NDC achievement? (‘cooperative approaches’ is not defined)
- Does ‘cooperative approach’ suggest a mechanism?
 - If so, then what kind? (trading – as can be used across ETSs vs crediting – emissions reductions credited against a baseline)
 - can credits originate outside scope of NDCs?

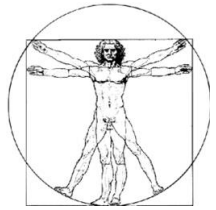


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Issues/Questions (non-exhaustive):

6.4:

- **Promoting mitigation:**
 - Beyond the scope of NDCs?
 - What is the relationship between outcomes within and outside scope of NDCs?
- **Deliver OMGE:**
 - What exactly is delivered?
 - How is it delivered?
 - Who delivers it?
 - How is it measured?
 - When is it delivered?
 - How is it accounted for?
 - Who accounts?
- **Result in emissions reductions:**
 - Only used for NDC or other use?



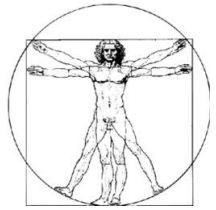
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Issues/Questions (non-exhaustive):

6.2 and 6.4:

- **ITMOs and emissions reductions:**

- Will they be measured in the same units? Are they quantifiable? Or will they be reported as “amounts” to satisfy corresponding adjustments for example?
- Can they be used for cross purposes i.e. “ITMOs” generated under 6.2 used for 6.4 purposes and “emissions reductions” generated under 6.2 used for 6.4 purposes?
- How will they be applied to NDCs given varied types of NDCs?
- What would be the relationship between “emissions reductions” under 6.4 and ITMOs under 6.2 if both can be used towards NDCs?
 - How would they be accounted for?
 - Does an ITMO become a “emissions reduction” if it migrates from 6.2 to 6.4 for NDC purposes and vice versa?
 - What would then be required to prevent double counting for 6.2/6.4 ‘migration’ for NDC purposes?
- Should a SOP also be applied to 6.2 ‘units’ as a result?
 - Or should SOP be applied to 6.2 units after they migrate to 6.4 for NDC purposes?

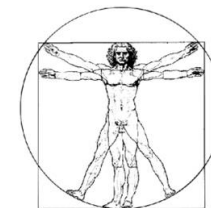


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Issues/Questions (non-exhaustive):

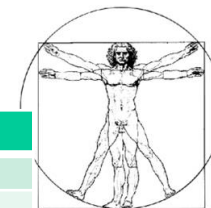
6.2 and 6.4:

- **ITMOs and emissions reductions:**
 - What would be the implications of using ITMOs and emissions reductions for cross purposes (6.2/6.4)? How would they be accounted for?
 - Would 6.2 and 6.4 therefore have to have similar design characteristics? e.g. common governance structure to ensure accountability and environmental integrity?
 - How would ITMOs and emissions reductions be accounted for if used outside of the scope of NDCs?
 - What is the scope of activities that can generate emissions reductions and ITMOs?
 - Should Parties use only either of 6.2 or 6.4?
 - What are the safeguards for preventing cross-purposes?
 - Should “emissions reductions” and “ITMOs” therefore fungible?



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Article 6.2 and 6.4



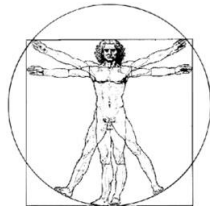
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Issue/Provision	6.2	6.4
Achieving NDC	√	√
Mitigation outcomes only within NDC	Unclear	Unclear
Higher ambition	√. (Art 6.1 qualification)	√ (Art 6.1 qualification)
Sustainable development	√	√
Overall mitigation in global emissions	Not explicitly	√
Environmental integrity/transparency	√ (explicit reference in Article)	√ (provided in para 37 1/CP.21)
Accounting for mitigation outcomes	√ (explicit in Article – robust accounting; corresponding adjustments – para 36 1/CP.21)	√ (Qualification of use in Art 6.5)
Share of Proceeds	Not explicitly	√
Voluntary participation	√	√
No double counting	√	Not explicit but Art 6.5 qualification
Private sector participation	Unclear	√
Type of mechanism (crediting/trading)	Unclear (cooperative approaches/scope not defined)	Crediting though not explicit (by virtue of qualification under Para 37 of 1/CP.21: <ul style="list-style-type: none"> - Emissions reductions - Additionality - Real and measurable - Verification and certification)
Nature of mitigation outcomes (units? Accounting amounts by Parties?)	Not defined (ITMOS internationally transferred but how is unclear e.g as units? As “accounted for reporting” for the purpose of corresponding adjustments?)	Not defined although the reference to “emissions reductions” may imply quantifiability in terms of tonnes of CO ₂ -e
Party participation	All	All
Eligible activities	No explicit restrictions	Allows for “specific scope of activities” (Para 37 (c), 1/CP.21)
Governance	Centralization not clear. Parties’ oversight/authorization (Art 6.3); CMA “guidance”	Centralized. Under authority and guidance of CMA; supervisory body designated by CMA; authorization by Party (Para 37 of 1/CP.21)
Overarching rules	CMA guidance	CMA rules, modalities and procedures.

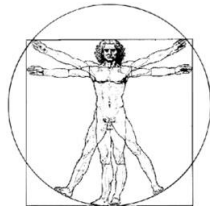
Issues/Questions (non-exhaustive):

Preceding table also gives rise to numerous questions and issues in respect of the issues/provisions identified.

- Broadly: If Parties use both 6.2 and 6.4, how would the design, rules, procedures, modalities, guidance be operationalized to ensure environmental integrity, sustainable development, accountability, and transparency?
- Should 6.2 and 6.4 be complementary or distinct?
- What safeguards need to be put in place to avoid cross-fertilization if they are kept distinct?
- What common features would need to be put in place if they are to be complementary?



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References:

Market Mechanisms in the Paris Agreement – Differences and Commonalities with Kyoto Mechanisms

Discussion Paper

Lambert Schneider, Derik Broekhoff, Martin Cames, Sean Healy, Jürg Füssler, Stephanie La Hoz Theuer

Umweltbundesamt/DEHSt and references therein

<https://pdfs.semanticscholar.org/2e3c/5fa49d1914a4330a92b00785322d74eaec95.pdf>

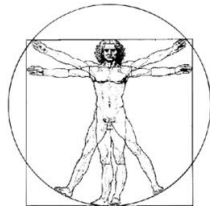
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Luca Lo Re and Manasvini Vaidyula. Markets negotiations under the Paris Agreement: a technical analysis of two unresolved issues. Climate Change Expert Group. Paper No. 2019(3) June.

<https://www.oecd.org/env/cc/Markets-negotiations-under-the-Paris-Agreement-a-technical-analysis-of-two-unresolved-issues.pdf>

Thank you



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Any answers?