



# Negotiating Cooperation under Art. 6

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# Agenda

- Objective of our work
- The landscape of Article 6 negotiations
- Crunch issues for 6.2, 6.4 and the linkage to 6.8
- Collection of feedback and comments
- Next steps



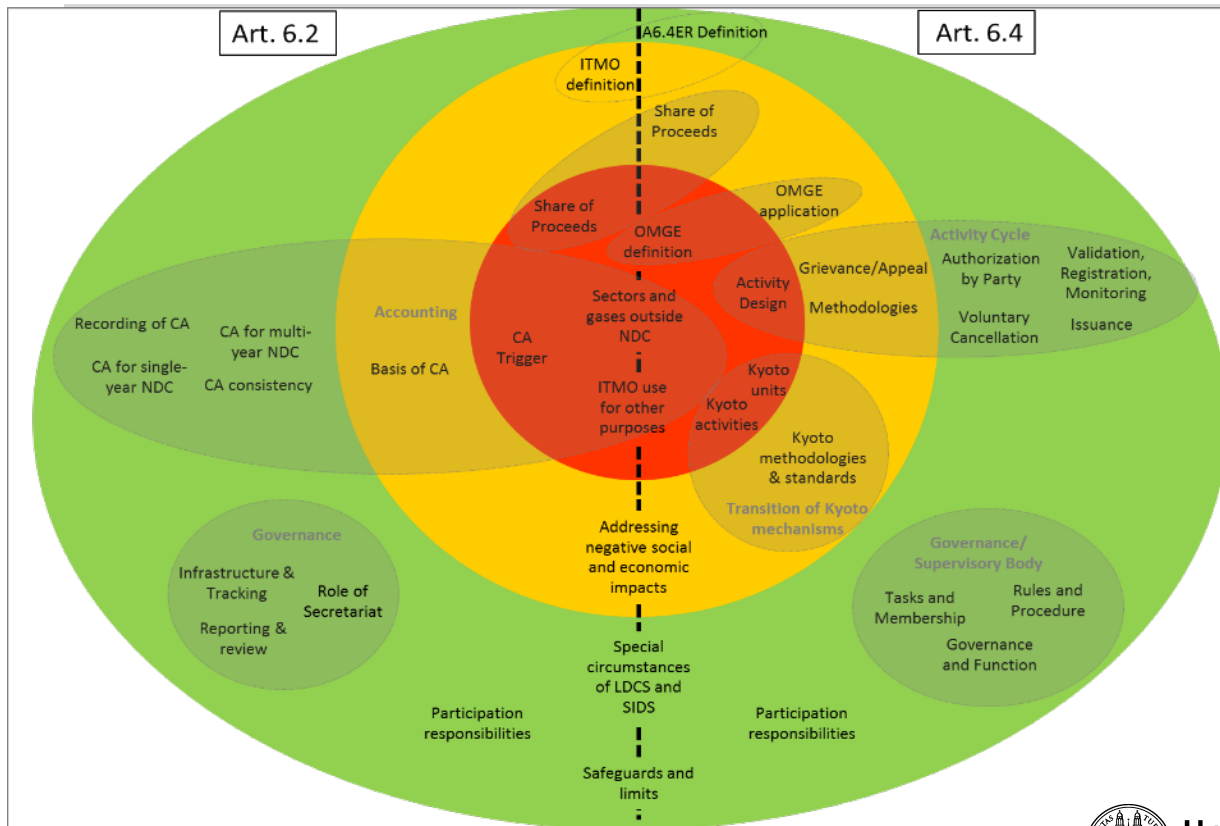
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# Drafting an Art.6 negotiations “Layman’s guide”

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- **Understanding the negotiations and party positions**
  - **Key step** necessary to identify solutions in these highly political as well as complex negotiations
- **Paper targets interested laypeople & heads of delegations**
  - HoDs will be confronted with the need to identify **simple political solutions for technically challenging issues** in the last rounds of negotiations
- **We need your feedback to depict as accurately as possible the differences in positions**
  - Differences may lay in **political** and/or **technical** considerations

# Landscape of issues after Katowice



- How many issues are “reopened” in Bonn?
- Which issues can be moved into the work programme?
- Balanced treatment of 6.2 and 6.4?

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# Key crunch issues in Bonn and tendencies I

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## ■ Corresponding adjustments

- Status of **transparency decision** para 77d: **wait** for Art. 6 conclusion
- **Activities outside** of NDCs: **transition period?** LDC/SIDS exemption?
- Utilization of ITMOs for **other purposes**: no easy compromise in sight
- **Multi- vs single year targets**: simulation of emissions trajectories, **significant differences** in ITMO volumes needed

## ■ Kyoto mechanisms transition

- Transition of **CERs**: **temporal cutoff, 2020?**
- Transition of **activities**: **re-registration**, what degree of revalidation
- Transition of **methodologies**: issue of **stringency** of methodologies

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# Key crunch issues in Bonn and tendencies II

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## ■ Governance

- Technical expert review to scrutinize **qualitative** base of ITMOs?

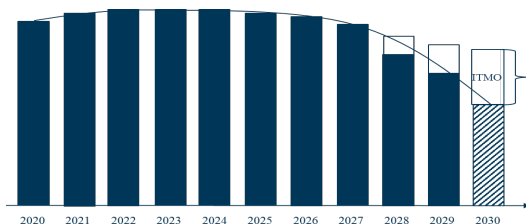
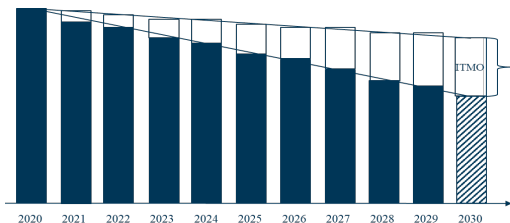
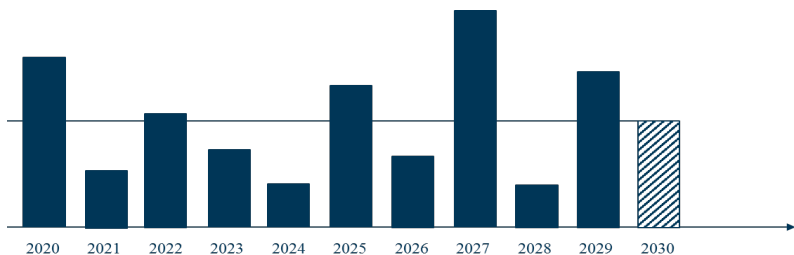
## ■ Character of ITMOs

- Pure **accounting** unit or **trading** unit: latter important to involve **private sector**
- **Other metrics: conversion** of non-CO<sub>2</sub> metrics, link to corresponding adjustments (buffer registry)

## ■ Share of proceeds

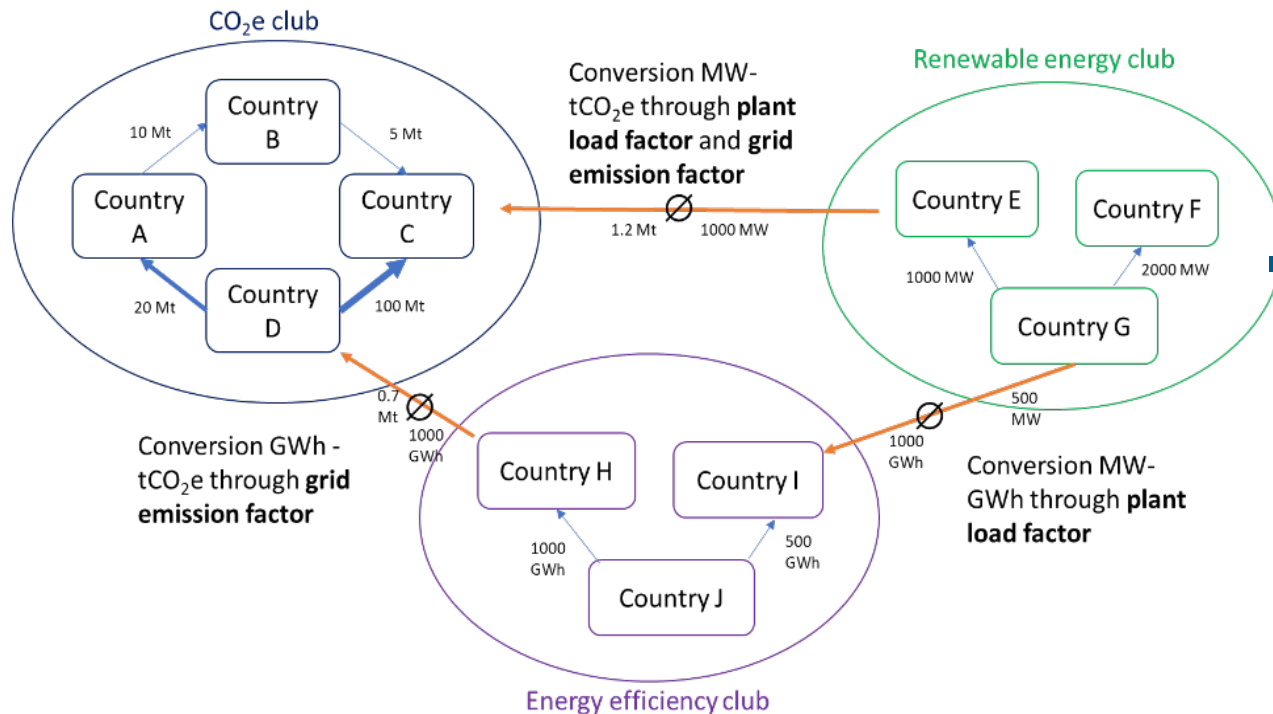
- Coverage of **Art. 6.2: some movement** of industrialized countries, **annual balance** instead of each transaction
- Degree of **involvement of host countries in administration under 6.4:** earmarking of SOP for host country capacity improvement

# Single vs multi year target: different multipliers



- **“Averaging”**: 10 ITMOs for 1 ITMO in target year
  - **“Declining path”**: 5.5 ITMOs for 1 ITMO in target year
  - **“Convex path”**: 2 ITMOs for 1 ITMO in target year
- **Difference of factor of five!**

# Conversion of different units



- Trade only between countries with same metrics?
- If trade between countries with different metrics: general guidance on conversion factors?



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# Further crunch issues?

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- **Scope: Coverage of REDD+ (“avoidance”)?**
- **Baselines and additionality : Generic approaches? Link to NDC ambition? Specific safeguards for additionality?**
- **...?**



**Thank you!**

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