Article 6

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Context and Overview

- The last Article to be Agreed in Paris

- 3 Operative Paragraphs
  - 6.2 – Cooperative Approaches using ITMOs towards NDCs
  - 6.4 – Mechanism with central approval function
  - 6.8 – non market approaches

Process

- After Paris, the UNFCCC process is now working to develop the rule book for the Paris Agreement

- Timeline is shorter than expected and progress is slower than expected

- Article 6 negotiations are part of the Paris Agreement Work Programme (PAWP); Agreement will be reached as a package

- Unlike many agenda items in the PAWP; Article 6 is under SBSTA rather than under the APA – a little more technical in nature

- Article 6 is currently ahead of the pack – mandate for a negotiating text for next session in Bonn

- 3 Texts published last week

Article 6.2

- Article 6.2 provides for the use of Internationally Transferred Mitigation Outcomes towards NDCs

- Seen mainly as an accounting framework for the use of markets towards NDCs but includes other concerns (environmental integrity, sustainable development)

- There are different accounting approaches being discussed (Budget based, emissions based, net based)

- Other issues include –
  - scope for accounting (inside/outside NDC)
  - Nature of ITMO (co2eq only or other, agreed metric, metric determined by Parties, other)
  - Ensuring environmental integrity beyond accounting
  - Limits on trading/ discounting for atmospheric benefit
  - Etc.

Article 6.4

- A central mechanism like those in the Kyoto Protocol (CDM, JI)
- A central body for approval (like CDM executive Board)
- Requirement for additionality
- Private Sector engagement
- Issues include
  - Accounting for the mechanism in the context of NDCs
  - Scope of activities (land, inside/outside)
  - Additionality in the context of NDCs

Article 6.8

- Framework for Non-Market Approaches
- A work programme
- Potentially a standing body
- Potentially a post 2020 extension of / replacement for Technical Examination Meetings/ Technical Expert Process
- Potentially ….