

Article 6 Negotiation at COP 28 Trends and Updates



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Key messages

- Use of Article 6 recognized in the outcome of the first Global Stocktake as one of the key tools to accelerate implementation.
- Absence of decisions from COP 28 does not prevent countries from continuing to cooperate under Article 6.
- Practical Article 6 implementation on the ground can lead by examples and give market confidence by implementing with high integrity.

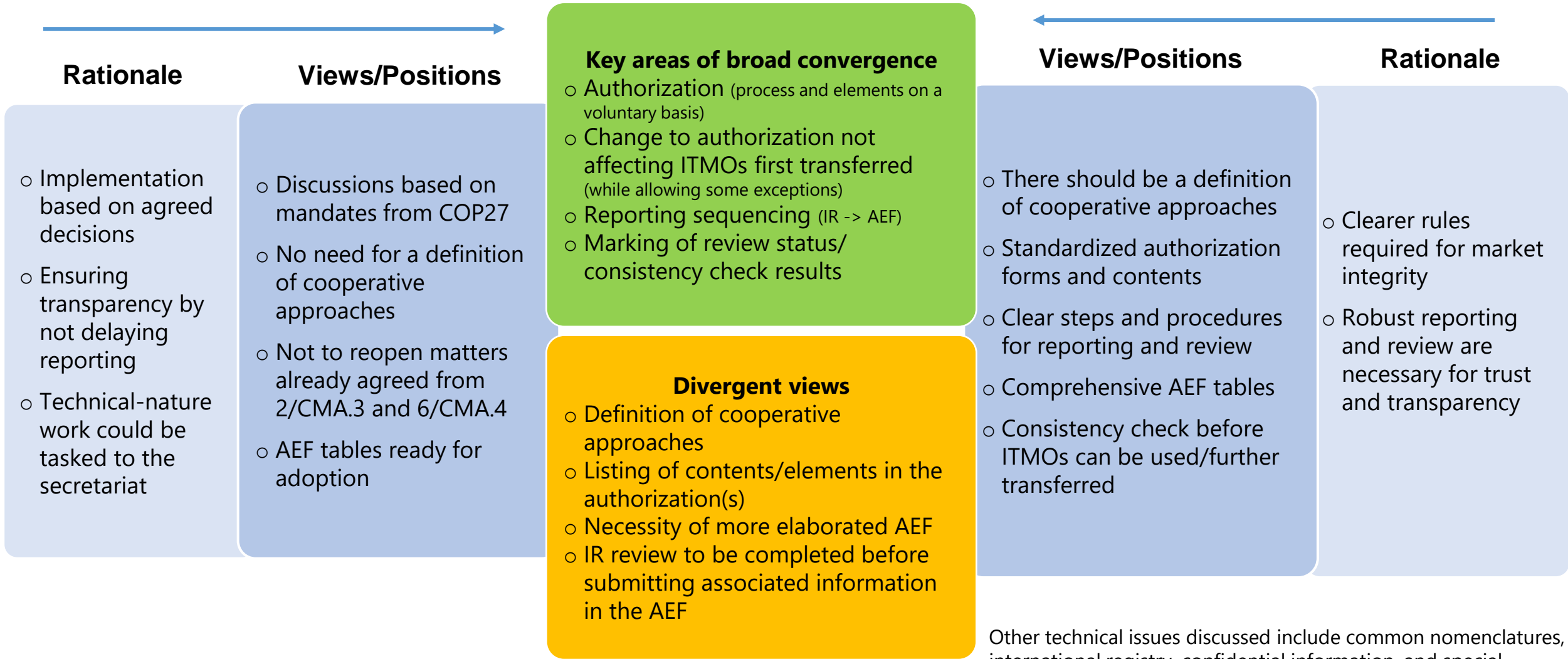
Where we are

A lot of progress has been made since COP 26



Component	Body	COP 26	COP 27	COP 28	COP 29
Article 6.2	CMA	Article 6.2 Guidance	<ul style="list-style-type: none"> ○ Tracking guidance ○ Review guidance ○ Reporting outlines ○ Draft version for submitting annual information (AEF) 	(no text)	<ul style="list-style-type: none"> ○ Further guidance (carried over mandates)
Article 6.4	CMA	Article 6.4 RMPs	<ul style="list-style-type: none"> ○ Elaboration of processes, including on CDM transition ○ Article 6.4 SB RoP 	(no text)	<ul style="list-style-type: none"> ○ Adoption of meth and removal requirements ○ Further guidance
	6.4 SB	-	A number of standards and procedures developed by Article 6.4 SB		Tools, guidelines, and other provisions

Reflections on Article 6.2 discussion



Rationale

- Implementation based on agreed decisions
- Ensuring transparency by not delaying reporting
- Technical-nature work could be tasked to the secretariat

Views/Positions

- Discussions based on mandates from COP27
- No need for a definition of cooperative approaches
- Not to reopen matters already agreed from 2/CMA.3 and 6/CMA.4
- AEF tables ready for adoption

Key areas of broad convergence

- Authorization (process and elements on a voluntary basis)
- Change to authorization not affecting ITMOs first transferred (while allowing some exceptions)
- Reporting sequencing (IR -> AEF)
- Marking of review status/consistency check results

Divergent views

- Definition of cooperative approaches
- Listing of contents/elements in the authorization(s)
- Necessity of more elaborated AEF
- IR review to be completed before submitting associated information in the AEF

Views/Positions

- There should be a definition of cooperative approaches
- Standardized authorization forms and contents
- Clear steps and procedures for reporting and review
- Comprehensive AEF tables
- Consistency check before ITMOs can be used/further transferred

Rationale

- Clearer rules required for market integrity
- Robust reporting and review are necessary for trust and transparency

Other technical issues discussed include common nomenclatures, international registry, confidential information, and special circumstances for LDCs and SIDs.

Substantive progress on Article 6.4 in 2023

Work of Article 6.4 SB in 2023

- Adoption of several **standards and procedures**, including on activity standard, activity cycle, validation and verification, accreditation, and CDM activity transition
- Recommendations on **methodology requirements and activities involving removal**
- Progress made on developing SD tool, appeals and grievance procedure, and others

[Discussion at COP 28 on general guidance for Article 6.4 SB in its continuation of work]

- Pursue inclusivity - proactively reaching out to a broad range of stakeholders
- Guided by the best available science
- Prioritize works on SD tool, appeals and grievance procedure, tools, guidelines and other required regulatory provisions

Country-level

67 Parties have designated DNAs for 6.4 (as of 12 Dec 2023)

Activity-level

1,330 CDM activities requested for transition to the Article 6.4 mechanism

Recommendations from Article 6.4 SB

Methodology requirements

- Elaboration of methodology principles and baseline approaches, referred to in paragraphs 33 – 38 of the Article 6.4 RMPs
- Additionality demonstration
- Leakage
- Non-permanence and reversals

Status: Broad acceptance (recognizing further work)

Key issues raised:

- Applicability to all project types
- Whether any additional clarifications are needed

Activities involving removal

- Context/Definitions
- Requirements for monitoring, reporting, accounting, remediation of reversals, applicable methodologies, addressing reversals, avoidance of leakage and other negative impacts
- Host Party roles

Status: Divergent views remained on certain issues

Key issues raised:

- Clarity in terms of application to REDD+
- Management of reversal risks and events
- Role of the host Party (and potentially other participating Parties)

Adoption of CMP 18's CDM Guidance

Topics	Key decisions	To be considered at CMP 19	Technical paper requested
General	Agreed process for non-responsiveness of CDM DNAs	-	-
Functioning of CDM	Takes note of the technical paper by the secretariat (FCCC/TP/2023/3) (2025 Deadline for requesting issuance of pre-2020 CERs)	Functioning and operation of the CDM processes and institutions , including appropriate <u>time frames</u>	Technical paper on the necessary operations of the CDM registry
Management of financial resources	Decides to “authorize” a transfer from the CDM Trust Fund to the Adaptation Fund, and potentially to other areas in need of funding at CMP 19	“Authorize” the transfer (potentially including the amounts to be transferred)	Technical paper on the necessary level of resources for the functioning and operation of the CDM processes and institutions

The way forward

Prospects for future engagement by the private sector

- **Demonstration of actual projects accelerate Article 6 implementation on the ground:** As many countries are already preparing and moving towards Article 6 implementation, **the private sector can play a crucial role in initiating pipelines of Article 6 activities/ideas** to demonstrate potential opportunities and accelerate implementation on the ground.
- **Information sharing:** Project developers need to be able to **navigate through different national arrangements and rules applied by each country and bilateral cooperation**, accessibility and clarity from the governments are therefore helpful to facilitate these processes.
- **Proactive engagement:** The private sector is encouraged to involve and provide inputs and actively **engage in the development of cooperative approaches, as well as Article 6.4 Mechanism** to contribute to promoting inclusive, practical and robust implementation of Article 6.

Thank you for your attention

Any questions

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