Introduction to Article 6

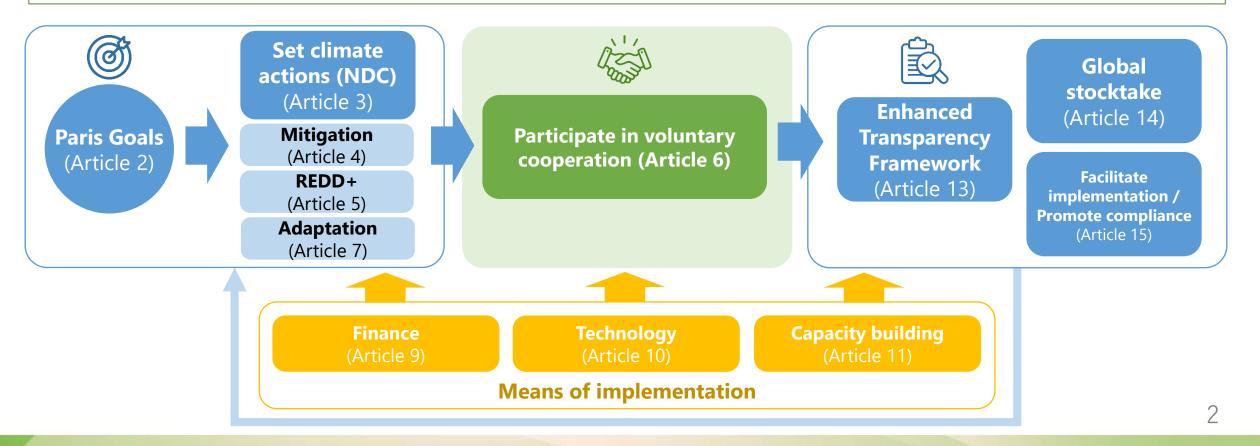


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Paris Agreement Overview and Article 6

- The Paris Agreement sets the long-term temperature goal of limiting global temperature to 1.5 well below 2°C.
- Under the Paris Agreement, countries must communicate their **Nationally Determined Contributions (NDCs)** describing actions to reduce GHG emissions and build climate resilience in order to reach the goals of the Paris Agreement.
- In implementing the NDC, countries must pursue domestic mitigation measures (Article 4.2). **Countries may also choose to pursue voluntary cooperation (Article 6)** to, among others, allow for higher ambition in their actions.



Participation in cooperative approaches under Article 6 of the Paris Agreement



Parties to the Paris Agreement may choose to pursue **voluntary cooperation** in the implementation of their climate actions (Nationally determined contributions: NDCs) to allow for:

- Higher ambition in their mitigation and adaptation actions;
- o To promote sustainable development; and
- To promote environmental integrity.

Ref: Article 6.1 of the Paris Agreement



Higher ambition

Article 6 allows for high mitigation ambition through promoting cost-effective mitigation actions, access to low-carbon technologies, carbon finance, and capacity building. Article 6 also have elements which considers contribution to adaptation efforts.



Sustainable development

Article 6 promotes sustainable development objectives of the host country, including by delivering environmental, economic and social co-benefits as well as promoting progress towards Sustainable Development Goals (SDGs).



Environmental integrity

Article 6 cooperative approaches must ensure environmental integrity which includes by having **robust**, **transparent governance** and the **quality of mitigation outcomes**.

Components of Article 6 of the Paris Agreement

Paris Agreement Article 6.1

6.2

Recognizing that some Parties choose to pursue **voluntary cooperation** in the implementation of their NDCs.

Cooperative approaches under Article 6.2

Engagement in **cooperative** approaches that involves the use of internationally transferred mitigation outcomes (ITMOs), consistent with CMA guidance

The use of ITMOs towards NDCs shall be **voluntary and authorized** by participating Parties.

Article 6.4 Mechanism

Establishes **Article 6.4 mechanism**, supervised by a designated body (Supervisory Body), and lays out the objectives of the mechanism

Avoiding double use of 6.4 emission reductions towards NDCs

Use of **share of proceeds** for administrative expenses and adaptation

6.7 Mandate for CMA to adopt rules, modalities, and procedures

Framework for non-market approaches

Recognizes the importance of non-market approaches to assist NDC in the context of sustainable development and poverty eradication

Defines a framework for nonmarket approaches to sustainable development

^{*} CMA: Conference of the Parties serving as the meeting of the Parties to the Paris Agreement.

Article 6.1 of the Paris Agreement

 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.

Article 6.2/6.3 of the Paris Agreement

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.

 The use of internationally transferred mitigation outcomes to achieve nationally determined contributions under this Agreement shall be voluntary and authorized by participating Parties.

Article 6.4-6.7 of the Paris Agreement

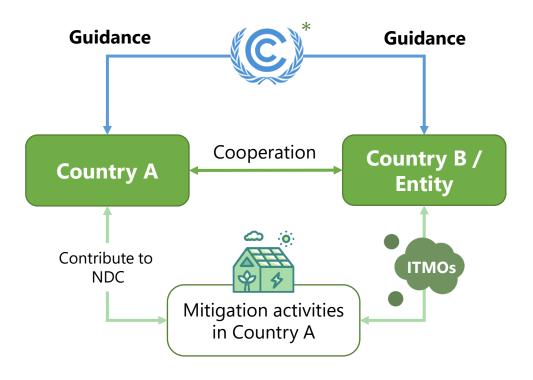
- 4. A mechanism to contribute to the mitigation of greenhouse gas emissions and support sustainable development is hereby established under the authority and guidance of the Conference of the Parties serving as the meeting of the Parties to this Agreement for use by Parties on a voluntary basis. It 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.
- 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 nationally determined contribution if used by another Party to demonstrate achievement of its nationally determined contribution.
- 6. The Conference of the Parties serving as the meeting of the Parties to this Agreement shall ensure that a share of the proceeds from activities under the mechanism referred to in paragraph 4 of this Article is 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.
- 7. The Conference of the Parties serving as the meeting of the Parties to this Agreement shall adopt rules, modalities and procedures for the mechanism referred to in paragraph 4 of this Article at its first session.

Article 6.8/6.9 of the Paris Agreement

- 8. Parties recognize the importance of integrated, holistic and balanced non-market approaches being available to Parties to assist in the implementation of their nationally determined contributions, in the context of sustainable development and poverty eradication, in a coordinated and effective manner, including through, inter alia, mitigation, adaptation, finance, technology transfer and capacity-building, as appropriate. These approaches shall aim to:
 - (a) Promote mitigation and adaptation ambition;
- (b) Enhance public and private sector participation in the implementation of nationally determined contributions; and
- (c) Enable opportunities for coordination across instruments and relevant institutional arrangements.
- 9. A framework for non-market approaches to sustainable development is hereby defined to promote the non-market approaches referred to in paragraph 8 of this Article.

Guidance on cooperative approaches under Article 6.2

Example of a cooperative approach structure



Countries/parties to the Paris Agreement (referred to as "participating parties") may engage on a voluntary basis in cooperative approaches that involve the use of "internationally transferred mitigation outcomes" (ITMOs) towards NDCs and other international mitigation purposes.

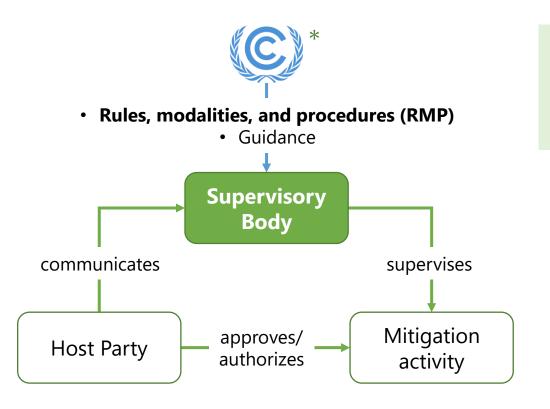
In doing so, each participating party must ensure that its participation in the cooperative approach is consistent with the Article 6.2 guidance and relevant CMA decisions. This includes, inter alia:

- Ensuring fulfilment of **participation**
- Avoiding double counting of ITMOs through application of corresponding adjustments referred to in the guidance
- **Tracking and reporting** which goes through the review process in accordance with the guidance

The guidance also lays out **Article 6.2 infrastructure**, including centralized accounting and reporting platform (CARP) and Article 6 database.

Article 6.4 Mechanism

(Paris Agreement Crediting Mechanism: PACM)



Article 6.4 Mechanism is a centralized UN crediting mechanism that enables the creation of Article 6.4 emission reductions (A6.4ERs) that can be used by countries to meet their NDCs (subject to authorization status) and other purposes.

Article 6.4 Supervisory Body supervises the mechanism, including establishing the requirements and processes necessary to operate the mechanism.

The host country (the country in which the activity is located) has important roles in the implementation of the mechanism including by providing an approval of the mitigation activity and an authorization in the context of Article 6.2 (if decided so).

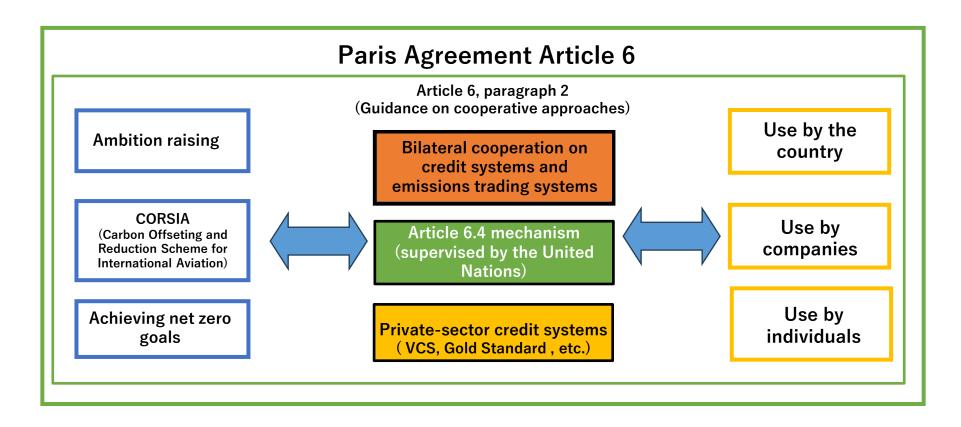
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Further reading

- Article 6.4 Mechanism website (<u>Click here</u>)
- Article 6.4 Supervisory Body website (<u>Click here</u>)

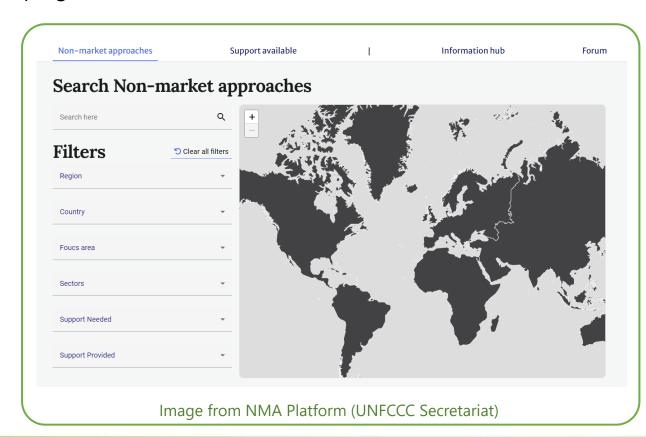
Article 6 of the Paris Agreement as a framework for international cooperation towards net zero



Framework for non-market approaches (Article 6.8)

The framework for non-market approaches (NMAs) facilitates the use and coordination of NMAs and enhances linkages/creates synergies between, inter alia, mitigation, adaptation, finance, technology development and transfer, and capacity-building. The framework is implemented through the work programme adopted at COP26.

The Glasgow Committee on Non-market Approaches was established to implement the framework and the work programme.



The NMAs work programme includes activities such as (non-exhaustive):

- Workshops to identify and share information, best practices, lessons learned and case studies on NMAs
- UNFCCC web-based platform for recording and exchanging information on NMAs



NMA tools

NMA Platform (Click here)

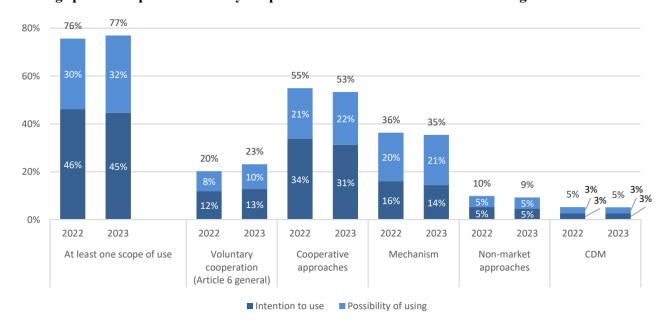
Intention to use Article 6

77% of Parties to the Paris Agreement stated that they plan to or will possibly use at least one type of voluntary cooperation under Article 6 of the Paris Agreement.

- **53%:** Use of cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement
- **35%:** Use of the mechanism established by Article 6, paragraph 4
- 23%: General use of voluntary cooperation

- UNFCCC Secretariat

Share of Parties indicating in nationally determined contributions the intention to use or possibility of using specific scopes of voluntary cooperation under Article 6 of the Paris Agreement



Source: Image from 2023 NDC Synthesis Report (UNFCC Secretariat)

Article 6 Rulebook: Key decisions on Article 6.2 & 6.4

Component	Body	COP 26 Glasgow, 2021	COP 27 Sharm El-Sheikh, 2022	COP 28 Dubai, 2023
Article 6.2	СМА	Decision 2/CMA.3 Article 6.2 guidance	 Decision 6/CMA.4 Tracking guidance Review guidance Reporting outlines Draft version for submitting annual information (AEF) 	No further guidance
Article 6.4	СМА	Decision 3/CMA.3 Article 6.4 rules, modalities and procedures (RMP)	 Decision 7/CMA.4 Elaboration of processes, including on CDM transition Rules of Procedure for A6.4SB 	No further guidance
	A6.4SB		A number of standards and procedures developed by Article 6.4 Supervisory Body	

Other relevant decisions include e.g. Para. 77 (d) of Decision 18/CMA.1 (Enhanced Transparency Framework)

Any questions

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