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# Developments in Article 6 of the Paris Agreement

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07 FEB 2018 , MONTREAL

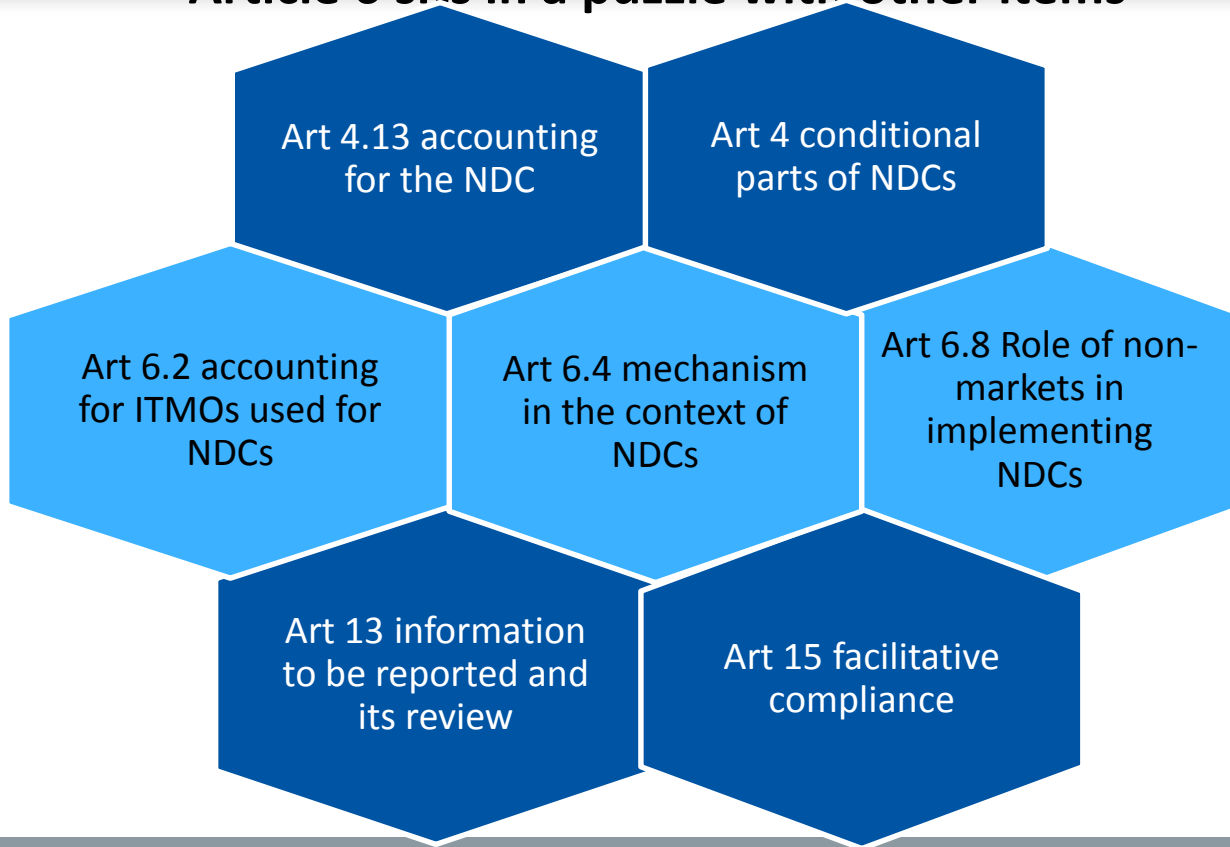


## Markets and non-markets within the Paris Agreement

- **Aim of the Paris Agreement**
  - Holding increase in global temperature to well below 2 degrees C and try to limit to 1.5 degrees C through achieving a balance of emissions and removals in the second part of the century.
  - Article 6 approaches aims to support the achievement of these goals by means of international co-operation
- **Ambition in nationally determined contributions (NDCs)**
  - NDCs should reflect highest possible ambition
  - Markets should support, not undermine, that ambition
- **Progression of NDCs over time**
  - Each new NDC should show progression in the contribution
  - Markets should foster progression



## Article 6 sits in a puzzle with other items





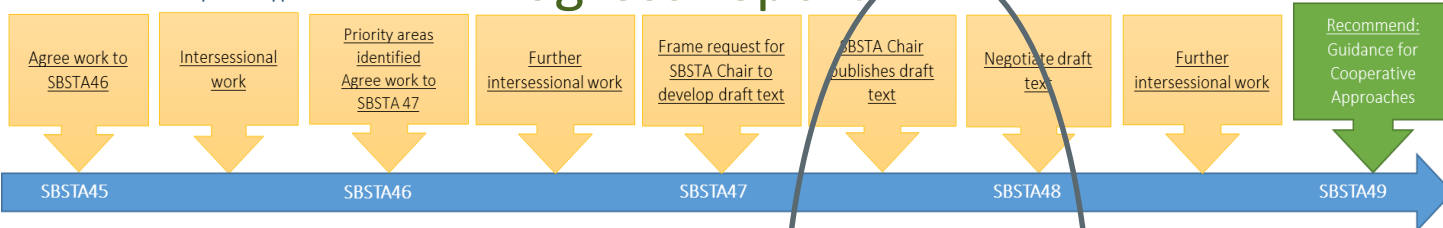
## The bigger picture surrounding around Article 6 discussions

- A practical implementation challenge for NDCs. Many Parties need help to achieve their NDC:
  - Technical support (e.g. to understand their own greenhouse gas emissions profile)
  - Financial support (e.g. to implement conditional parts of their NDC)
- Parties are working through a work Programme defined in decision 1/CP.21 that
  - Has many issues, linkages among them and a mandate to deliver all at the same time
  - Negotiations to reflect an overall dynamic of political balance

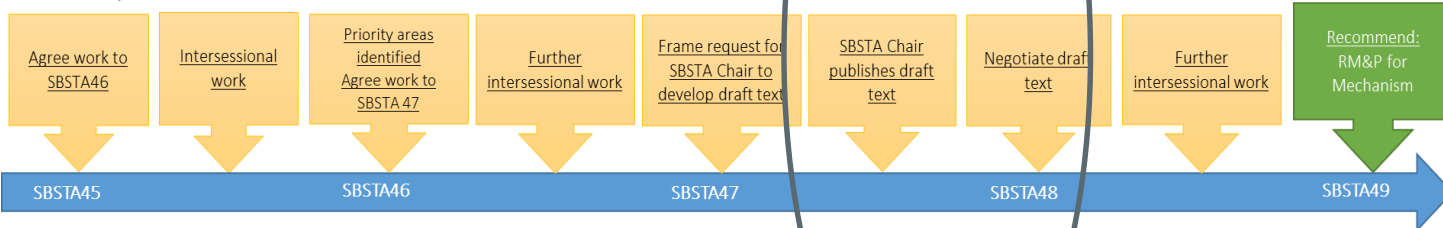


# Progress report

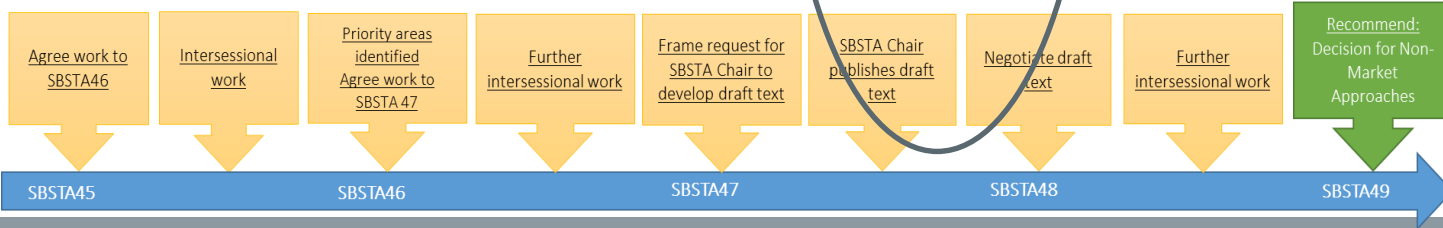
## Art 6.2 – Guidance for Cooperative Approaches



## Art 6.4 – Rules, Modalities and Procedures for the Mechanism



## Art 6.8 – Decision for Non-Market Approaches





## Key milestones in implementing decision 1/CP.21 on Article 6

- Article 6 work programmes launched in May 2016 to address three parts of the Article
  - Article 6.2 - [Cooperative approaches - Guidance](#)
  - Article 6.4 - [Mechanism –Rules, modalities and procedures](#)
  - Article 6.8 - [Framework Decision on the work programme for non-market approaches](#)
- December 2016 was the first meeting of the parties to the Paris Agreement, in Marrakech, and they agreed to [forward outcomes from the Paris work programmes for adoption in December 2018](#)
- Parties continued work in May 2017 and in November 2017, Parties will meet again to discuss implementation of Article 6 work programmes



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## Current work

- Party submissions

<http://www4.unfccc.int/submissions/SitePages/sessions.aspx?showOnlyCurrentCalls=1&populateData=1&expectedsubmissionfrom=Parties&focalBodies=ADP>

- Party round-table discussions

[http://unfccc.int/cooperation\\_support/cooperative\\_implementation/items/9644.php](http://unfccc.int/cooperation_support/cooperative_implementation/items/9644.php)

- Informal document from the round-table discussions and informal notes from the sessions

[http://unfccc.int/meetings/bonn\\_nov\\_2017/in-session/items/10496.php](http://unfccc.int/meetings/bonn_nov_2017/in-session/items/10496.php)

- **What next ??**

- the SBSTA Chair to prepare an informal document containing the draft elements based on prior submissions by Parties and the third iteration of the informal note prepared by the co-chairs by mid of march 2018.



## Key issues under discussion - Article 6.2

- How can we ensure that the **scope of the guidance** in relation to environmental integrity is sufficient? (Flexibility / Scalability /future proof)
- **Reach of the guidance** (lifecycle of an ITMO or just transfer and acquisition) and the implications for environmental integrity.
- **Oversight** functions
- **Which accounting approaches** are most suitable, and why? (budget, emission, buffer registry, emission reductions).
- How is **mitigation outside** the scope of the NDC covered by the guidance?
- **Share or proceeds** and **Overall Mitigation** of Global Emissions being **in 6.2?**





## Key issues under discussion- Article 6.4

- Scope - Crediting under the mechanism **inside and/or outside NDC**, does it include only **emission reductions or include avoidance/removals** ?)
- Governance model (**centralisation vs decentralization**)
- **Linkage with 6.2 accounting** (what is accounted under the mechanism?)
- How to establish **additionality and/or baselines** in the context of the NDC?
- How to implement an **overall mitigation of global emissions**?
- How to **avoid use** of **mitigation outcomes** from 6.4 activities by **more than one Party**?
- **Transition** of the **rules/projects/credits** under the Kyoto Protocol, or nothing?
- Balancing **stable investment incentives while** supporting/not discouraging **progression** in successive NDCs?



## Key issues under discussion- Article 6.8

- **What actions** under the work programme would facilitate the implementation and coordination of non-market approaches and enhance linkages and create synergy?
- How should the draft CMA decision on the work programme (as per 1/CP.21 paragraph 40) **guide work** under the framework?
- What should be the **organizational arrangements** for the framework (e.g. committee, forum, task force, agenda item)?
- How to facilitate non-market approaches in a way that **adds real value** at implementation level?



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