

# Current Status of Negotiation Article 6 of Paris Agreement

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# Structure of draft texts on Article 6

(COP25 presidency texts version3)

## Article 6.2 (Guidance)

- Draft Decision on CMA (Future work programme)
- Definition of ITMOs
- Participation responsibilities
- Application of Corresponding Adjustments (CA)
- Reporting and Review
- Recording and Tracking
- Ambition in mitigation and adaptation actions

## Article 6.4 (Rules, Modalities and Procedures)

- Draft Decision on CMA (Future work programme)
- Definition of Art6.4
- Membership and Rules of Supervisory body
- Participation responsibilities
- Methodology
- Share of Proceeds (SOP)
- OMGE
- CDM Transition

## Article 6.8 (Work Programme)

- Draft Decision on CMA (Future work programme)
- Principle
- Establishment of Non Market Approach forum
- Governance and Modalities
- Work programme activities
- Report

**Most of elements in the draft decisions on Article 6 were developed, but some remaining issues were left to get the consensus.**

CMA : Conference of the Parties serving as the meeting of the Parties to the Paris Agreement

OMGE : Overall Mitigation in Global Emissions

# Basic concept of Corresponding Adjustment

**Basic rules for avoidance of double counting is written in** “Modalities, procedures and guidelines for the transparency framework for action and support referred to in Article 13 of the Paris Agreement”

77(d)(ii) An emissions balance reflecting the level of anthropogenic emissions by sources and removals by sinks covered by its NDC adjusted on the basis of corresponding adjustments undertaken by effecting an addition for ITMOs first-transferred/transferred and a subtraction for ITMOs used/acquired, consistent with decisions adopted by the CMA on Article 6;

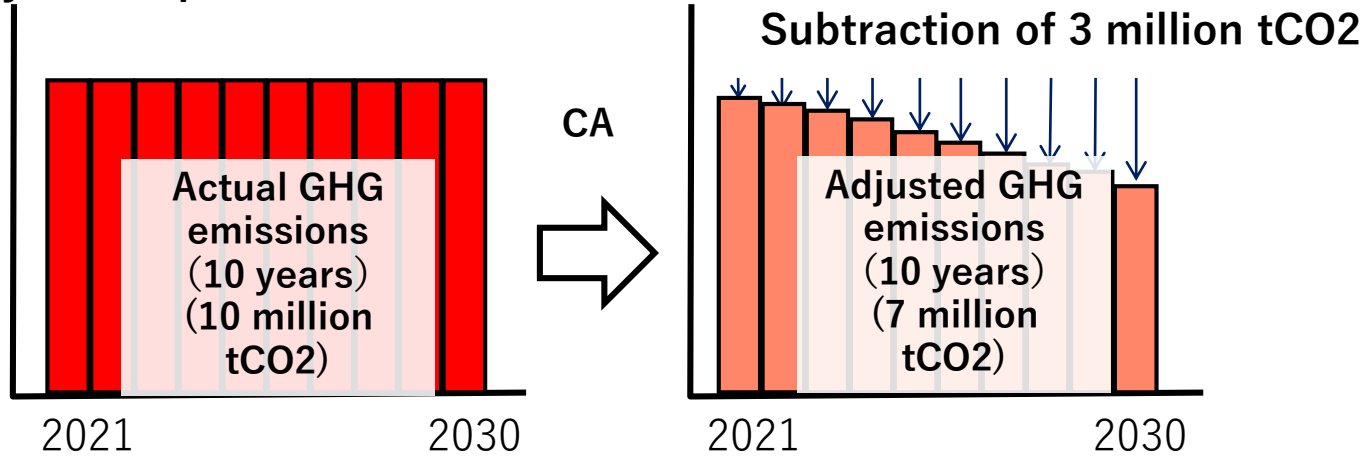
**Corresponding adjustments may be undertaken by effecting:**

**an addition (+) for ITMOs first-transferred and;  
a subtraction (-) for ITMOs used;**

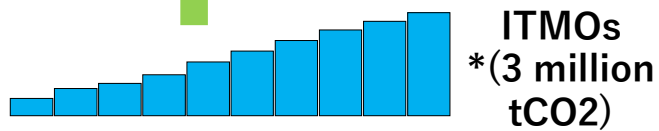
**to the GHG emissions including sinks**

# Example: Concept of Corresponding Adjustment (CA)

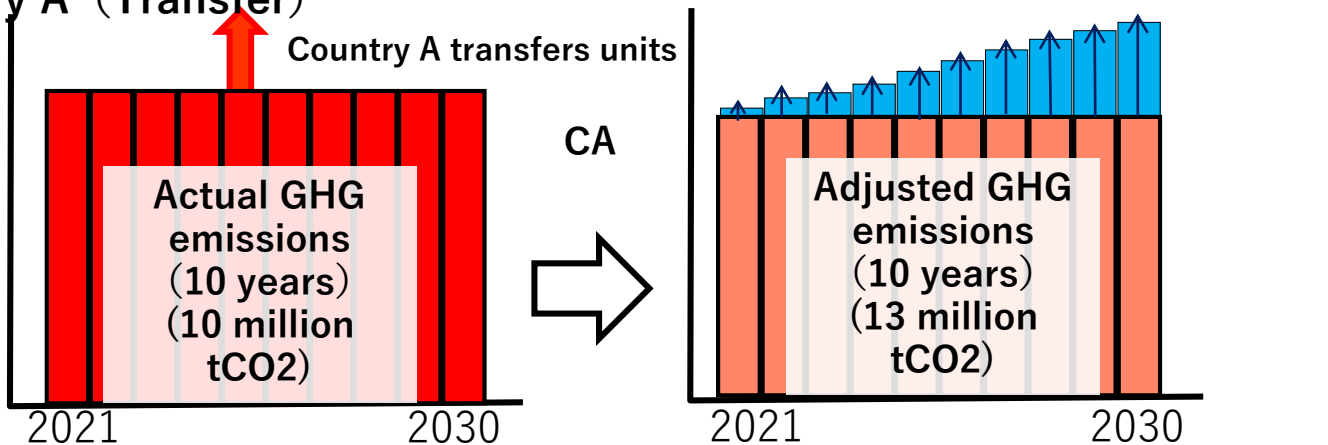
Country B (Acquire and Use)



Country B acquires ITMOs and uses it for achieving NDC target



Country A (Transfer)



Article 6.2 can help parties not only achieve NDC but also to raise ambition.

- Methods for CA should be selected by participating parties.
- Acquired and transferred of ITMOs should be collected and reported under Article 6.2.
- Authorization is required when a participating party transfers ITMOs.

# CDM transition under Art 6.4

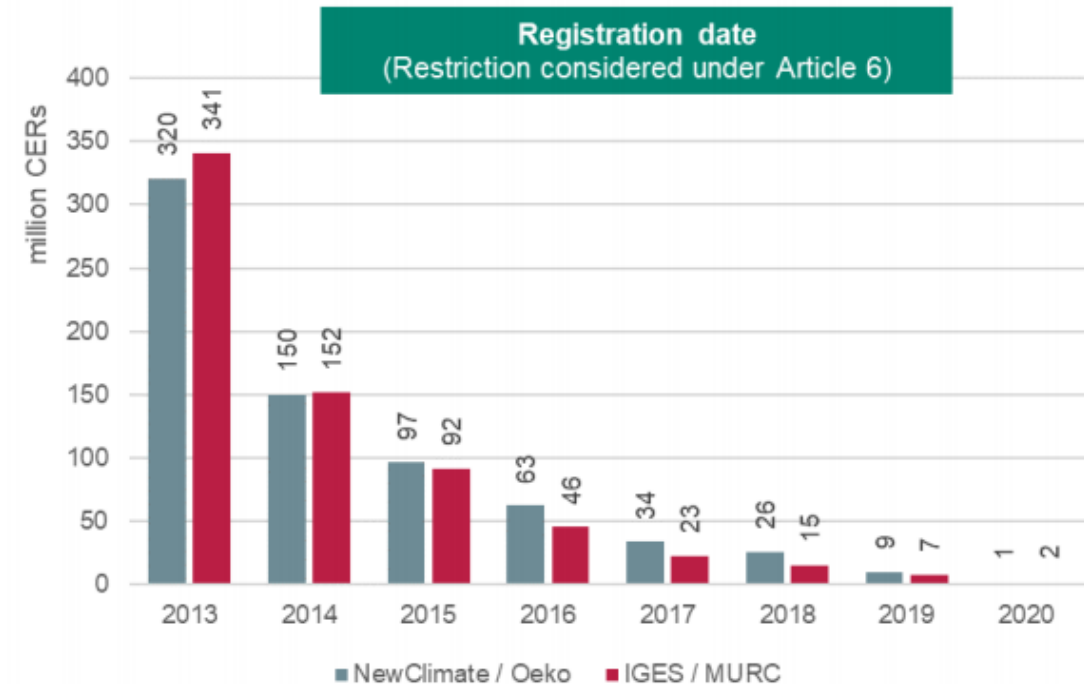
## CDM Activities Transition

- PA and PoAs registered under CDM may transition and be registered under Art6.4.
- Host party approval for transition
- Compliance with Rules, Modalities and Procedures adopted by CMA
- Need to complete the transition by no later than 31 Dec 2023

*For the future operation of CDM in 2021, CDM EB will continue to discuss at EB 108<sup>th</sup> meeting (from 1 to 3 December, 9 to 11 December and 14 Dec 2020).*

## CER Transition

- Only CERs from projects registered on or after a certain date are eligible for transition.

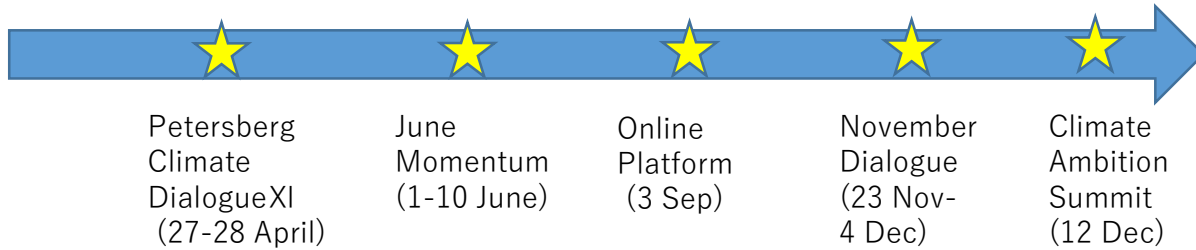


Source: Joint paper by IGES, MURC, NewClimate Institute and Öko-Institut  
<https://www.iges.or.jp/en/pub/cer-supply-potential/en>

# What happened after COP25

## Events organized in 2020

On 1<sup>st</sup> April 2020, UNFCCC announced the postponement of SB52 and COP26.



- SBSTA chair indicated at November dialogue that the similar format will be organized in 2021 to resolve remaining issues on Article 6.
- UK will also plan to have bilateral and multilateral consultations in 2021 to develop outcomes in COP26.
- There were also several events on Article 6 outside of UNFCCC negotiation (such as IEA-IETA-ERPI event, ERCST, Klik foundation and other webinars organized by international organisations).

During the November dialogues, there were two events on the Article 6.

- 24 November: Informal meeting of the SBSTA Chair with Heads of Delegation and regional Coordinators  
**“Dialogue on outstanding Article 6 issue”**
- 26 November: Informal meeting of Article 6 experts  
**“Baselines and additionality in the 6.4 mechanism”**

## Planned events organized in 2021



# Towards COP26 in Glasgow, UK

- Informal meetings to exchange views by Article 6 experts will be very useful for further understandings to resolve remaining issues.
  
- Meetings outside of UNFCCC negotiation will be also helpful as well.
  
- Advanced exercise work for future preparation of Article 6 implementation (especially Art6.2) could be useful for considering the future work programme under Article 6 of Paris Agreement after 2022.
  - Corresponding Adjustment
  - Reporting
  - Recording and Tracking

**Thank you for your kind attention!**

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