GST 1 Outcomes

ARTICLE 6 OF THE PARIS AGREEMENT

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Article 6 in the GST 1 Outcomes

International cooperation through market-based mechanisms and non market approaches (NMA) contribution in the global objectives of the Paris Agreement:

- Higher ambition in mitigation and adaptation actions;
- Support of the sustainable development objectives of developing countries parties;
- Better participation of non-state actors;
- Unlock climate finance and promote low-carbon technologies through cost-effective emissions reductions .

Concerns about:

- High environmental integrity of activities and transactions;
- Ensuring there is no double counting;
- Transparency about the emission reduction certification, transaction, accounting and reporting.

International cooperation under Article 6 of the Paris Agreement

- All transactions for compliance and for other internationa lmitigation purposes happen under Article 6.2 of the Paris Agreement and must meet the guidance adopted by the CMA;
- The Paris Agreement Crediting Mechanism (Article 6.4 Mechanism) is the UN centrilized mechanism under the CMA and supervised by the Supervisory Body (SMB);
- Parties can use mitigation outcomes certified by the PACM, independant standards and bilateral, multilateral or domestic schemes to transfer emissions through international cooperation to meet their NDCs or other international mitigation obligations.
- Parties must meet the participation requirements (national framework for authorization, tracking and reporting).

New Rules, Modalities and Procedures

- Host countries in the driving seats:
  - Only authorized mitigation outcomes can be used for other countries' NDCs or Other International Mitigation Purposes (OIMP);
  - Application of Corresponding Adjustment to avoid double counting;
  - Tracking of Internationnally Transferred Mitigation Outcomes (ITMOs);
  - Specific reporting obligations (initial, annual and biennal reports);
- More stringent rules:
  - Sustainable development consideration;
  - Methodologies development and assessment;
  - In relation to activities involving Removals;
  - Crediting period of projects and programmes;
  - Baseline assessment
  - Additionality determination
  - Non-permanence / Reversal assessment
  - Leakage, suppressed demand and many tools related
  - Grievance and appeals;
  - Transparency and stakeholders consultation and involvement.
- Voluntary Carbon Market
  - Carbon Crediting Standards (PACM and Independant Standards):
    - Registration of projects and certification of Authorized Units and Non-authorized units.

African countries in the new Carbon Markets

To effectively participate in the Article 6 and benefit from the opportunities to acheive their NDCs and SDGs, African countries must:

- Develop robust institutional framework for approving, authorizing projects and programmes, tracking ITMOs and reporting to the UNFCCC;
- Set regulatory framework to manage all elements related to the carbon markets
- Consider carbon markets activities in their NDC (unconditional, conditional, sectors, types of activities condition s of authorization, fees, benefit sharing, sustainable development goals, etc.;
- Set robust MRV system for Article 6 link to the national MRV for the Enhanced Transparency Framework (ETF);
- Develop technical capacity for all stakeholders (decision makers,regulators, government representatives, private sector actors, local governments, etc.).

Conclusions

- Critical role of international cooperation, transparency, and robust governance in advancing global climate goals ;
- Need to have a clear strategy for participation in carbon markets and NMAs;
- Set robust institutional, strong regulatory frameworks and develop inclusive capacity building programmes for all stakeholders;
- Effective involvement in the development of rules, procedures and methodological products of the crediting standards;
- Ensure linkage of carbon markets with sustainable development strategies and NDCs development and implementation;
- Regional organizations should provide training programs on carbon trading, monitoring, reporting, and verification (MRV), and Article 6 transaction processes;

Thank you