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Overview of Parties' Views on Article 6

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SB 46 Side Event “Ensuring integrity of Paris Agreement Art. 6 - challenges and opportunities from a civil society perspective”

- **Central Oversight**
 - Environmental Integrity
 - Sustainable Development
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- Long-standing controversy
 - Pre-Paris led to division into “framework for various approaches” and “new market mechanism”
 - Now back in the form of 6.2 and 6.4
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- “Prerogative of Parties to generate, transfer and use ITMOs”
- Guidance to be limited to accounting



- Calls for centralised international oversight over all units generated under the UNFCCC
- Some suggestions to have one “umbrella” board for all approaches under Art. 6

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- Notes that there is no clear, universally adopted definition
 - Most submissions explicitly or implicitly based on view that environmental integrity =
 - one carbon unit represents one ton of CO₂e reduced and is counted only once towards a commitment
 - One submission posits need to also address potential conflicts with other environment-related aspects, for example biodiversity
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- Require multi-year emission budgets ⇔ other Parties demand openness to all types of NDCs
 - Limit eligibility to sectors that are quantifiable, easy to measure and provide lasting emission reductions
 - Automatic cancellation of units after some time
 - Limit share of target achievement that could be covered by transfers – complementarity
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- Only one submission highlights risks of overselling
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1. “Static” challenge to ensure the environmental integrity of individual transactions. Risks e.g. lacking additionality, double counting, overselling
 - “Not more emissions than if transaction did not exist”
 2. “Dynamic” challenge to ensure that use of Art. 6 in one NDC period does not undermine climate ambition in future periods. Risks e.g. minimising ambition and NDC scope
 - “Not more emissions than if Art. 6 did not exist”
⇒ Art. 6.1 mandate to raise ambition is crucial
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- Number of submissions view that flexibility will by itself help increase ambition

 - Others view that ambition needs to be in-built
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- Limit eligibility for transfers to absolute emission reductions
 - Making Art. 6.4 a tool for voluntary action by the private sector
 - Discounting of reductions to achieve a global net reduction
 - Review Art. 6 transfers in the global stocktake and excluding Parties where transfers have not contributed to increasing ambition from future participation
 - Manage the supply of units to keep prices stable.
 - Corresponding adjustment also for reductions outside the NDC scope
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- National prerogative vs. international rules
 - Intermediate suggestions
 - Requirement to have and internationally notify national criteria and procedures
 - Requirement to demonstrate how activities contribute to SD
 - Requirement to under Art. 13 report on how activities promote SD
 - Voluntary international tool
 - International minimum criteria Parties could use differently
 - Use SDGs as basis
 - Requirement to demonstrate how activities respect, promote and consider obligations on human rights in line with the preamble of the Paris Agreement
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**Thank you very much for
your attention**

Find further information on our website at
www.wupperinst.org/en/cop