

ICTSD Article 6 Informal Dialogue meeting

October 17 & 2018, Glion, Switzerland

Agenda

Date: October 17, 2018

Location: Hotel Victoria, Route de Caux 16, CH-1823 Glion sur Montreux, Switzerland

Day 1

9:00 Welcome remarks

- A. Marcu, ICSTD
- F. Perrez, Switzerland

9:15 After Bangkok: changes between SBSTA 48.1 and the Reflection Note

This session will start with a presentation on what has changed between the text at end of SBSTA 48.1 and the textual proposal by the Chair of SBSTSA in the Reflection Note due mid-October. May involve a walk through the Art 6 part in the Reflection Note.

Initial presentation by Amy and Kelley, followed by reactions, and a roundtable discussion.

- A. Steen, UNFCCC
- K. Kizzier, Ireland

Reactions

- M. Hession, EC
- M. Diagne, Senegal
- K. Harrison, NZ

11:15 Coffee break

11:35 What is being learned from pilots?

Karoliina will present some of the piloting work that is being done, and what are the questions and conclusions that are relevant for the work of Art 6 negotiators. It is hoped that we can come back to this practical example during the two-day session, as well as other examples, to guide the work, and decisions of what is needed from Katowice.

This will be followed by a roundtable discussion

- K. Anttonen, Finland

12:05 Coordination between NDCs and Art 6 rules

NDCs come in many shapes and colors, as they are nationally determined. Many hope that over time we will start converging, as this would make many tasks easier, especially comparing efforts and figuring out the progress we are making towards the Paris Agreement goals.

However, for the moment, they are different, and this makes things complex, including writing the rules for Art 6

This leads to a fundamental question, and potentially different visions:

“NDCs have to improve/change/adapt themselves to rules of Art 6 in order for Parties to take part in Art 6”

vs.

“Rules for Art 6 need to be written to accommodate all types of NDCs”

This is a very important choice, as once that choice is made, many options would be eliminated, one way or another. It is related to eligibility requirements, but it is probably much more than that.

Initial remarks

- S. Closson, Belgium
- R. Anshari, Singapore
- J. Miguez, Brazil

12:50 Lunch

13:45 Inside/outside NDC

This session will focus on whether ITMOs and Art 6.4 units can be issued only from inside the NDC, or from both inside/outside/beyond the NDC.

While this discussion has been a “yes/no” discussion, this session needs to focus on trying to answer a few questions:

- Is there a difference between “outside NDC” and “outside/beyond NDC”?
- Does the Art 6 text justify restriction to inside NDC only?
- There is the letter of the PA, and spirit of the PA – do issuing ITMOs and units from outside/beyond the NDC contravene the spirit of the PA?
- Is the situation different for Art 6.2 and 6.4, and why?
- What are the consequences for corresponding adjustment and double counting?

Initial remarks by Andrei, followed by reactions from Miguez and MJ

Initial remarks

- J. Miguez, Brazil
- MJ Mace, St. Lucia

14:45 Double-counting

This session will focus on a number of very simple and fundamental questions, to try and elucidate different interpretations of the objectives of corresponding adjustments and the avoidance of double counting. This is a simple, and powerful concept, but almost three years after COP 21 negotiators are still struggling with reaching a common understanding.

The main questions that would urge those that make the initial presentations to address are:

- What are we avoiding to double count?
- Is it emissions or ITMOs?
- Are they one and the same?
- What information is needed to avoid double counting? -- this question will apply to Art 6.2 & Art 6.4 – is the answer the same, or different, for 6.2 and 6.4?

This session also needs to be seen in the context of what we need to know in order to avoid double counting, and what information needs to be provided regarding ITMOs.

Are these two issues (information for avoiding double counting AND information we need regarding ITMOs) one and the same, or are they different issues, and where is the difference?

Initial comments from Andrei, Yuji, and Lorna

Initial remarks

- Y. Mizuno, Japan
- L. Ritchie, UK

16:00 Coffee break

16.20 What is ITMO accounting?

This is also, on the face of it, a simple question, but one that is no common understanding. Some questions that may benefit from being discussed will include:

- Is ITMO accounting understanding the number of ITMOs that have been acquired/transferred out by a Party?
- Is this enough, or is this only an intermediate step towards understanding:
 - *The progress of a Party towards achieving its NDC?
 - * Progress towards understanding the contribution of a Party towards the objectives of the Paris Agreement, in terms of emission reductions?
- Is accounting for the Paris Agreement to be done under Art 6, or in another article of the Paris Agreement, and what are consequences for the environmental credibility of the Paris Agreement if it's done one way or another?

Initial remarks

- R. Anshari

17:30 End of Day 1

19:00 Dinner at Victoria Palace Glion

Day 2

9:30 How do we operationalize the link between Art 6 & Art 13?

This session should focus on the practicalities of what is provided from Art 6 to Art. 13 in order to ensure that there is

- Full confidence in Art 6 from a business and investors perspective;
- The “must” on environmental integrity and sustainable development reflected
- Double counting provisions

Initial remarks

- D. Spori & L. Mortier, Switzerland
- M. Vaidyula, OECD

11:00 Coffee break

11:30 Eligibility criteria

This section will try and answer a number of questions regarding eligibility for participation in Art 6.2 and Art 6.4

- What are the eligibility criteria for Art 6.2 and Art 6.4?
- Are there any?
- Are they the same for 6.2 & 6.4?
- What are the consequences for the decision on eligibility?

Initial interventions by Andrei, Kazu and Sandra, followed by roundtable discussion.

Initial interventions

- K. Koakutsu, Japan
- S. Greiner, Gambia

12:30 Lunch

13:30 What metrics can ITMOs be denominated in?

This session should look at the current options for denominating ITMOs, which are currently available in the Bangkok text and how they are presented, if different, in the Reflection Note.

The consequences of the metrics for ITMOs (Co23 only/CO2e and others) need to be discussed in a number of dimensions:

- What, if any, are the implications for market functioning of any carbon market that is based on the Art 6 framework? Will this help or detract from liquidity?
- Help in the global stock take in determining the progress we are making?
- What are the implications, if any, of the nationally determined characteristic of the NDCs? How will it help?
- Does it detract from it, or it is something that is normal? Is this something that needs to be determined or something that will naturally gravitate to CO2e only naturally?
- If there is to be conversion between different metrics in order for ITMOs to be used, what is the governance (i.e. who decides the conversion factors) and what are the broader implications, if any?

Initial input from

- A. Gwaiz
- K. Hancock, Australia

14:30 What is needed from Katowice?

Prioritization will always be a painful exercise, as Parties will always want “their” priorities in the list of priorities for Katowice, or will fear agreeing on some issues, with “their issues” passed from SB to SB session, and never agreed.

The Bangkok text has a list of priorities but it is a broad one, and will need to be pared down in preparation for COP 24. What are the “objective” criteria for selecting issues – and can there be any, or will this also result in interminable discussions and is line that should not be pursued?

Two objective criteria that could be proposed may be:

- What is needed to allow the UNFCCC process to continue its work in 2019?
- What is needed for those that wish to start work on mitigation action that any produce ITMOs?

Initial remarks

- P. Stiansen, Norway
- M. Lajoie, Canada
- K. Soejachmoen, Indonesia
- S. Srikanth, USA

End of Day 2

Dinner at Victoria Palace Hotel Glion