

Safeguards and Limits

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- **Article 6.2 text:**

- Para 4(l) of the Decision (p.2) – *future work programme*
- Section XI of the Guidance (p.14) – *...shall apply [as applicable]...*

- **Article 6.4 text:**

- Para 7(g) of the Decision (p.2) – *future work programme*
- Section XI of the RM&P (pp.15–16) – *...shall apply [as applicable]...*

Where will we need them, if anywhere?

Some proposed safeguards have overlaps/linkages...

- ...elsewhere in the texts
 - Pre-2020 vintages
 - Inside/outside NDCs
 - OMGE
- ...elsewhere, beyond the text
 - Other environmental impacts
 - Other social impacts
 - Unilateral measures and discriminatory practices
 - Human rights

...others are more 'standalone' proposals

- **Quantitative limits**

- {on supply} Creation/Issuance/First-transfer, Carry-over/Vintages
- {on demand} Use
- {on price/qty} Holding, Transfers, Price/quantity fluctuations, speculation

- **Qualitative safeguards**

- {land?} Sectors with a high degree of uncertainty / systems to address permanence / risk of reversals
- {additionality / leakage?} Not cause an increase in emissions
- {ambition?} Supplemental to domestic action

Questions to ask ourselves

1. Does the concept make sense in the **Paris context**?
2. Does the SBSTA have a **mandate** to address it?
3. Is it a **system-wide or a program-level** issue?
4. **Who** would need to apply/verify the solution?
5. Are we ready to agree on it right **now**? How much detail?
6. Is new text the **best tool** to address the issue?

Proposed approach during Week 1

- **Additionality / ambition**

- 6.2: General reference and tracking/reporting requirements
- 6.4: Baseline approaches, “how relates to NDC”, etc.

- **Addressing the risk of reversals:**

- 6.2: General reference and reporting requirement
- 6.4: General language to be operationalized in specific methodologies

- **6.4 crediting period length and renewal**

Proposed approach for Week 2

- **Quantitative limits in specific applications**
 - Consider our palette of ‘tools’ or possible ‘building blocks’ to construct a deal on inside/outside, CDM activities
- **Other issues on a case-by-case basis**
- **In an case, consider when guidance/rules are reviewed whether additional safeguards are needed**