

ERCST “Informal Forum on Implementation of Article 6 of the Paris Agreement”

February 20 & 21, 2020, London

Agenda

Date: February 20 & 21, 2020

Location: Foreign and Commonwealth Office, 1 King Charles St, Whitehall, Westminster, London SW1A 2AH, United Kingdom

Project Background and Approach

The new climate change Agreement, agreed in Paris in December 2015, is to be further defined with rules, modalities and procedures by the Conference of Parties. Article 6, which covers markets and non-markets, is an important element in the Agreement, which will need a substantial amount of political and technical decisions to be taken before it can be implemented.

This meeting is part of the “Implementation of markets and non-markets provisions in the Paris Agreement” project, which aims to create an informal atmosphere, where the main objective is to explore, discover, explain and understand different points of view related to the issues in Article 6 of the Paris Agreement. That is, to understand the options available to define rules, modalities and procedures on Article 6 of the Paris Agreement, as well as the consequences of adopting each option.

What is also very important is, to the extent that participants are willing to explain, to understand the different views, and more importantly, WHY these views are held. The discussions will be free and informal. They are generally introduced with a presentation from ERCST and launched with reflections from the participating negotiators. Discussions will be held under Chatham House rules (views expressed can be quoted but cannot be attributed to any of the participants). At the end of each meeting we will not produce summaries, but a Reflection Note, with what the Chair took back from the discussions.

Above all, this process is totally separated from the UNFCCC negotiating process. There is no intention, or mandate, to produce any text or negotiate an outcome.

Day 1 – February 20, 2020

9:00 Welcome remarks

- A. Marcu, ERCST
- A. Young, UK

9:20 After COP 25

This session will start with reflections on the outcomes COP 25 and is intended to bring out a number of elements that we would like to address:

- What is the outcome of Madrid – did we fail, or did we make progress and were close?
- How is this different from Katowice and why?
- What got in the way: substance, approach, information?
- What are the outstanding issues – CDM transition, Art 6.4 corresponding adjustments and SOP/OMGE?
- Can we change the mode of work and what else can be tried? National interest vs global good?

The speakers will each have 10 min to outline their views on what happened at COP 25. This will be followed by a moderated roundtable discussion with participants.

- J. Cordano (Chile)
- J. Werksman (EU)
- A. Abdulla (Maldives)
- K. Conrad (CfRN)

10:30 Coffee break

10:45 Non-NDC use of mitigation outcomes

References to the use of mitigation outcomes for purposes other than NDCs have been ever-evolving -- but ever-present -- in Article 6 guidance and rules. These references are widely understood as efforts to apply some accounting elements of Article 6 to ICAO's Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), and other "international mitigation purposes" that may emerge in the future. Coming out of COP25, the draft text further evolved to also include "other purposes" that may not be international. This session takes a look at these references, including to explore the "other purposes" that may be relevant to Article 6, how such interactions might work, and the justifications for applying elements of Article 6 to non-NDC uses of mitigation outcomes.

- M. Peters-Stanley (USA)
- P. Stiansen (Norway)

11:30 CDM (and KP units) transition

CDM transition has again proven to be an intractable issue with very different views. A “clean” solution whereby a total acceptance or rejection of transition seems remote and unlikely. The focus starting at COP 24 has shifted to a temporal compromise, with a number of “windows” being put forward in the last days of COP 25 discussions under the Presidency.

In the tense atmosphere in Madrid numbers were shown but not always well explained and well understood. Since any compromise seems to emerge from a temporal compromise it is important to the degree that Parties and analysts feel important, to understand the number and how they were reached.

The session will focus on

- KP units (CERs)
- CDM activities
- Used as KP units or reissued as Art 6.4 units?
- How are the KP units to be used – domestically or for trading

- K. Koakutsu (Japan)
- A. Marcu (ERCST)
- J. Miguez (CDM EB)
- L. Schneider (OKO Institute)

13:15 Lunch

14:15 Article 6.4 corresponding adjustments

This continues to be one of the thorniest issues and a legacy from COP 24, and while discussed at length in the past, it continues to merit revisiting given its importance.

This session is not intended to focus on the same discussion that has taken place over the last two years (sometimes in a passionate way) but rather to continue from where it left off in Madrid. However, we still find merit in revisiting the issue conceptually before continuing from where we left it in Madrid

- a) Understanding the issue and whether there is something beyond it (e.g. what is understood by an NDC and who determines what is outside/beyond an NDC?)
- b) Is there different treatment for first issuance for Art 6.2 and Art 6.4? Is that the case and what is the logic for different treatment? Is this an issue for Art 6.4 only?
- c) Difference between transition and opt-out?
- d) What is the risk within the “windows” in the draft texts? Can it be quantified?

There will be an initial presentation (10-15 min) followed by a moderated roundtable with participants.

- K. Koakutsu (Japan)

Reactions:

- M. Hession (EU)
- M. Soares (Brazil)
- S. Greiner (Gambia)
- L. Schneider (OKO Institute)

15:30 **Coffee break**

16:00 **Summation of the day**

The final session of the day is intended as a summation of what was discussed, what was learned and what needs (e.g. information) it has brought out which could be worked out before the SB session in June 2020.

- T. Mpanu Mpanu (DRC & SBTSA Chair)
- C. Fuller (Belize)

16:40 **End of Day 1**

19:00 **Dinner**

- **Location:** *The Admiralty*, 66 Trafalgar Square, St. James's, London WC2N 5DS, United Kingdom

Day 2 – February 21, 2020

9:00 Opening remarks

- A. Marcu (ERCST)

9:15 How to ensure a balanced outcome between Art 6.2 and Art 6.4 at COP 26

Throughout the negotiation process, several Parties raised concerns about having a balanced outcome between the instruments established under Articles 6.2 and 6.4. The topic was raised again during the discussions at COP 25 and is essential to having an outcome that ensures, on the one hand, environmental integrity, and on the other hand, incentives for the participation of Parties and other entities under both instruments.

This is intended to be a general discussion, which would entail a sharing of perspectives on what is a balanced outcome and which elements would be necessary to accomplish that.

There will be opening remarks (5-7 min), followed by a moderated RT discussion on these topics.

Initial remarks

- M. Soares (Brazil)
- S. Fellermeier (Switzerland)
- M. Al-Attas (KSA)

11:00 Coffee break

11:30 Share of proceeds for Art 6

This was clearly indicated as red line by some Parties while others recall that while it was discussed in Paris, it was rejected at that time. There are a number of issues that need to be discussed, based on the current provisions in the Presidency texts, and focusing on scale, destination, transactional relationship and nature of commitment.

There will be opening remarks (5-7 min), followed by a moderated RT discussion on these topics.

Initial remarks

- J. Cordano (Chile)
- J. Grabert (UNFCCC Sec)
- J. Werksman (EC)

13:00 Lunch

14:00 Art 6 activities

Art 6 activities need to include the process of host country engagement, including provisions for robust accounting and necessary corresponding adjustment. Independent assessment of the proposed mitigation activity will be important to give confidence to the cooperating parties. This session will summarize some options.

- C. Sinha (World Bank)
- W. Betzenbichler (Designated Operational Entities and Independent Entities Association)

15:15 Summation and way forward

The final session of the day is intended as a summation of what was discussed, what was learned and what needs (e.g. information) that the discussion has brought out which could be produced before the SB session in June 2020.

Also to be discussed is what work will need to be undertaken by this initiative ahead of the next meetings.

- T. Mpanu Mpanu (DRC & SBSTA Chair)
- J. Werksman (EU)
- A. Young (UK)
- J. Cordano (Chile)

16:00 End of Day 2

Participants

Government/Org.	First Name	Last Name
Argentina	Nicolás Gustavo	Gauna
Australia	Kerrie	Haria Adams
Australia	Kate	Hancock
Belgium	Sophie	Closson
Belgium	Lambert	Schneider
Belize	MJ	Mace
Belize	Carlos	Fuller
Bhutan	Sonam	Tashi
Brazil	Pedro	Tiê
Brazil	Marina Carrilho	Soares
Brazil	Jose	Miguez
CFRN	Federica	Bietta
CFRN	Kevin	Conrad
Chile	Jose Eduardo	Sanhueza
Chile	Julio	Cordano
Chile	Cristián	Retamal
Costa Rica	Jose Felipe	De Leon
Croatia	Visnja	Grgasovic
Croatia	Bernarda	Rozman
D&I Association	Werner	Betzenbichler
DRC	Tosi	Mpanu Mpanu
EBRD	Jan Willem	van de Ven
EC	Martin	Hession
EC	Jacob	Werksman
ERCST	Eric	Wilczynski
ERCST	Dana	Agrotti
ERCST	Andrei	Marcu
France	Dimitar	Nikov

Gabon	Zita Kay	Kassa Wilks
Germany	Thomas	Forth
Germany	Konrad	Raeschke-Kessler
Germany	Silke	Karcher
IETA	Stefano	De Clara
Italy	Vanessa	Leonardi
Jamaica	Omar	Alcock
Japan	Takayuki	Ishikawa
Japan	Miho	Suzuki
Japan	Kiyoshi	Komatsu
Japan	Kazuhiisa	Koakutsu
Maldives	Amjad	Abdulla
Mexico	Andrea	Hurtado Epstein
Norway	Peer	Stiansen
Saudi Arabia	Mona	Al Attas
Singapore	Anshari	Rahman
South Korea	Seoyoung	Lim
Sweden	Martin	Vogel
Switzerland	Simon	Fellermeyer
Thailand	Sumon	Sumetchoengprachya
The Gambia	Sandra	Greiner
UK	Victoria	Boyes
UK	Hugh	Salway
UK	David	Hynes
UK	Archie	Young
UNEP	Karen	Holm Olsen
UNFCCC	Perumal	Arumugampillai
UNFCCC	James	Grabert
US	Rohemir	Ramirez-Ballagas
US	Molly	Peters-Stanley
World Bank	Chandra	Sinha