Key Takeaways from the CCXG Global Forum on the Environment and Climate Change

15-17 March 2021

Implementing Article 6.4: Design options and the role of different actors in the possible transition of CDM activities

- Transition of CDM activities is neither mandatory, nor automatic – many actors at the international level (e.g. under the Kyoto Protocol and Paris Agreement) as well as national actors (e.g. host Party) and project participants will need to play a role.

- Different actors have different strengths and limitations – decisions are needed on the role of each actor. Enabling the co-ordination between the CDM EB and the Article 6.4SB is key.

- The host Party and the project participants will need to take into account the new context of the Paris Agreement (i.e. NDCs, potential corresponding adjustments) when moving forward with the possible transition.

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Implementing Article 6.4: Host Party options relating to the registration of any transitioning CDM activities, new activities

- The new context of the Paris Agreement implies a greater role for the host Party in the Article 6.4 mechanism than under CDM; it will be important to ensure that participation in Article 6.4 activities does not negatively impact the achievement of NDCs or the broader goals of the Paris Agreement.

- Some of the elements needed under Article 6.4 are the same or similar to those under the CDM, while others (e.g. assessing impact on NDC achievement) may require significant time and resources from the host Party. This may therefore need capacity building for host Parties.

- Time is key: the importance of Article 6 is evident in the updated NDCs, which means that the possible transition, as part of Article 6 implementation, will need to be well-structured, co-ordinated and enabled in a timely manner.

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Implementing Article 6.4: Options for baseline methodological approaches

- Consider baseline methodologies in a variety of ways:

  o Distinguish between methodologies that will be used for a limited period only (e.g. for transitioning CDM activities) and "new" methodologies for the Article 6.4 mechanism;

  o Prioritise most-used CDM methodologies for review (and potential revision).

- Time is also a key issue, both in terms of a potential delay in implementing the Article 6.4 mechanism and in terms of having baselines that are dynamic enough to adjust to (often rapid) technology changes.

- Need to further explore the links between baseline methodologies and NDCs as well as with long-term strategies and net-zero plans, in particular to address the issue of additionality and ensure consistency with the long-term goal of the Paris Agreement.

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Sustainable COVID-19 recovery and implications for NDCs

- Aligning COVID-19 recovery packages with Paris Agreement goals can help meet short-term needs and support long-term objectives. Recovery packages would ideally mainstream environmental considerations across sectors, build on existing initiatives, supported by ambitious policies including new/updated NDCs, and be monitored transparently.

- Developing and developed countries face different challenges to "building back better": developing countries face increased climate vulnerabilities and risks, and have more difficulties accessing and mobilising capital.

- Multi-stakeholder engagement, including the private sector and citizens, is important for building support for sustainable recovery plans, can inform new/updated NDCs and help implementation of the Paris Agreement.

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Electronic reporting of information to the UNFCCC: Possible lessons from current reporting experience and formats for Articles 6 and 13

- It is a good time to discuss how to improve the accessibility, consistency and machine-readability of countries' electronic reporting to the UNFCCC, as there are many opportunities and reporting issues under the Paris Agreement have not yet been finalised.

- Current reporting experience suggests that manual data entry can be very challenging and prone to human errors. A reporting software can help to reduce the reporting burden and improve quality and consistency of reported data.

- Capacity-building is a key component of any discussion on improved electronic reporting. The quality of data reported and the ease with which it can be reported also depend on domestic IT and institutional arrangements for data collection and elaboration.