

Are Article 6.4 emission reductions picked up when tracking NDC progress?

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

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Background

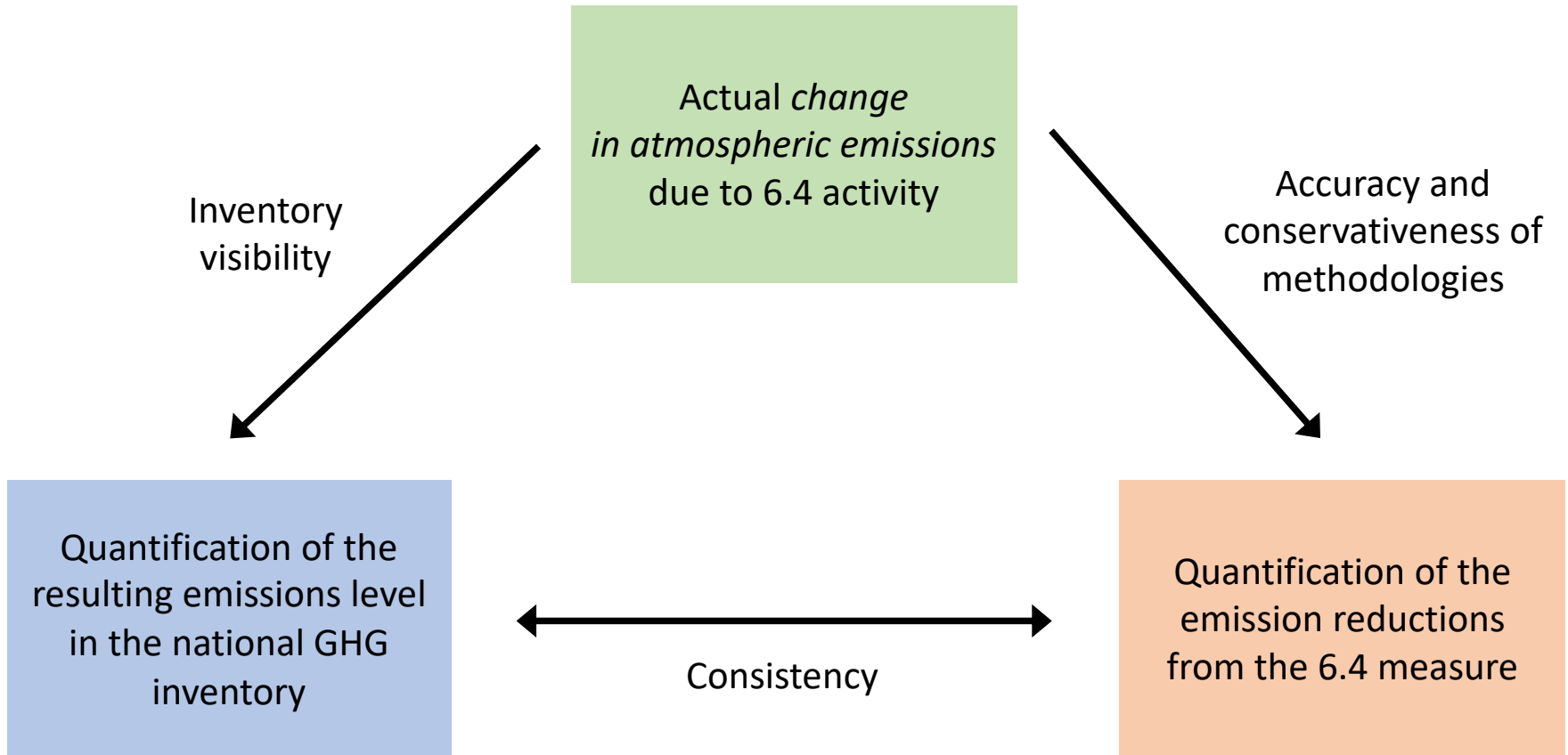
Key debate in implementing Article 6.5:

Does the host country actually “observe” the Article 6.4 emission reductions when demonstrating NDC achievement?

This depends on:

How the 6.4 emission reductions are quantified	<ul style="list-style-type: none"> • Accuracy / conservativeness of methodologies
The ‘indicator(s)’ selected to track progress towards NDCs	<ul style="list-style-type: none"> • National GHG inventories (or parts thereof)
How the progress in the indicator(s) is tracked	<ul style="list-style-type: none"> • Accuracy and completeness of inventories (e.g. Tiers used)

GHG inventory 'visibility' and 'consistency'



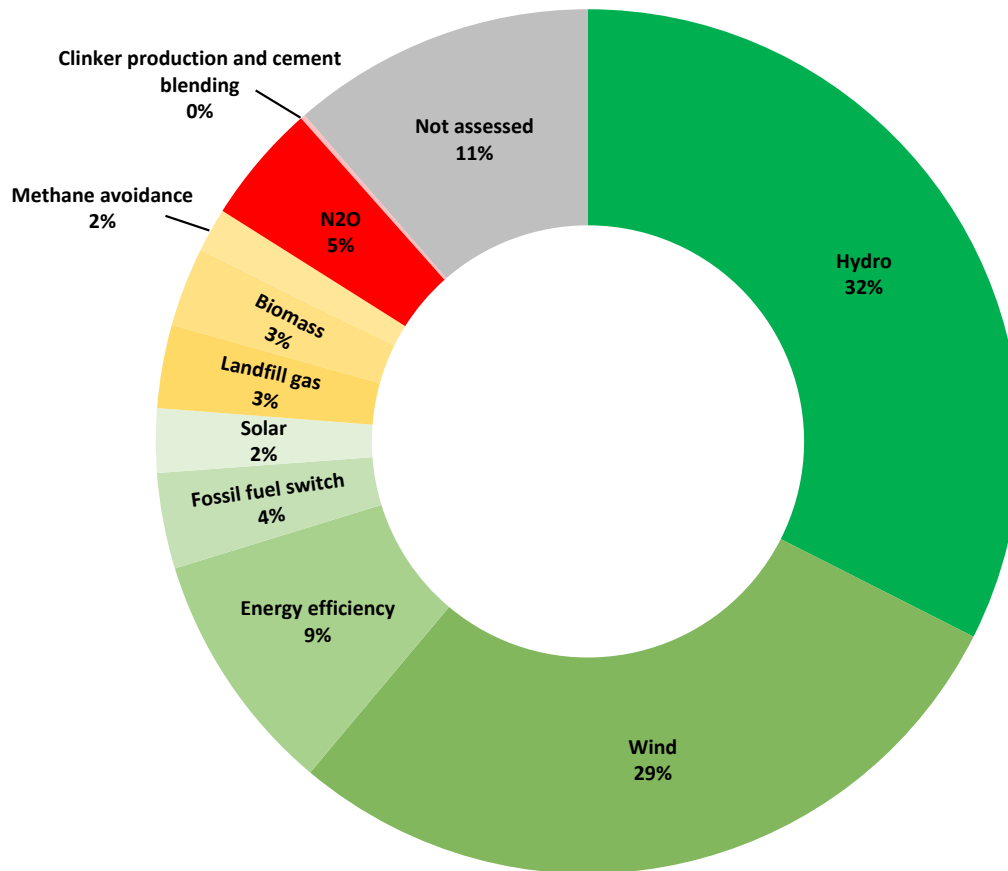
Assessing inventory visibility for the CDM portfolio

CDM methodologies

2013-2020 CDM supply potential

Inventory visibility:

- Green (low risk): Main mitigation outcomes ‘broadly’ visible with Tier 1 methods
- Yellow (medium risk): mitigation outcomes partially visible with Tier 1 methods and partially only with Tier 2 or 3 methods
- Red (high risk): mitigation outcomes not visible with Tier 1 methods



Conclusions

1. **Visibility:** Article 6.4 emission reductions are in many – but not all – instances visible in Tier 1 inventories
 - CO₂ emissions from fossil fuels: energy statistics key
 - Other gases: Tier 2 / Tier 3 methods often necessary
 - LULUCF sector: particular granularity challenges
2. **Recalculations of GHG inventories:** allows countries to claim the emission reductions from Article 6.4 later on when inventories are improved
3. **Perverse incentives:** Not requiring corresponding adjustments if reductions are not visible could provide perverse incentives for countries not to improve inventories

Thank you for your attention!

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