



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Confederation

Federal Department of the Environment,
Transport, Energy and Communications DETEC

Federal Office for the Environment FOEN
Climate Division

Lessons from piloting for Article 6 negotiations

Webinar European Roundtable on Climate Change and
Sustainable Transition (ERCST), 28.10.2020

Simon Fellermeier



What is piloting?

- Piloting = The attempt to prepare a framework for cooperation that is in line with the context set by Article 6 (Paragraph 2) of the Paris Agreement
 - Avoid double counting
 - Ensure environmental integrity
 - Promote sustainable development...
- Who determines how piloting is done?
 - Participating Parties (host Party & using Party): set up framework, define processes, decide on activities authorized
- Pilots will be scrutinised:
 - Public, civil society
 - Constituents of the Parties
 - Official review process under UNFCCC once adopted



Why piloting is different

- Piloting in the context of Paris is **(much) more challenging** than signing LoAs or buying CERs
 - There is **uncertainty**
 - On international rules (no Art 6 guidance)
 - On what countries want / relation to NDCs
 - **Process details** not clarified in guidance text (methodologies, validation, verification, timings)
 - **Decision to authorize requires careful consideration** (institutional arrangements) and has implications (CA)
- Worthwhile and necessary – otherwise no credibility, criticism of cooperation (internally or externally)



Switzerland's pilot thinking: step 1

- **Need for bilateral agreements** between Switzerland and partner country to **set framework** for activities by private actors
- Core of a bilateral agreement:
 - Authorization process for activities
 - Clarify requirements and steps: verification, human rights, SD, registry
 - Commitments by countries once authorization is issued
- Specific **guidelines** that inform decisions under the bilateral agreement are **set at the respective national level** (Swiss CO₂ law and ordinance and partner country)



Switzerland's pilot thinking: step 2

- **Signature of bilateral agreement (step 1) is not (yet) the moment of authorization of activities**
- Authorization of activities comes once **both countries support a proposed activity** that will happen in the host country
- Authorization could be a **long process** (details, 2 government administrations need to give green light)
- Investment decision by project developer requires authorization by both countries but **commercial contracts are not governed by bilateral agreement -> private sector**



Lessons for Article 6 guidance

- **What really matters is TRANSPARENCY**
 - On authorizations of activities: how it is done, when it is official, its implications ...
 - On transfers of ITMOs once authorized
- UNFCCC to **provide a space** that allows Parties to tell the world that an **activity is official, what it is** (volume, partner, time frame etc.)
 - improve sections on reporting and infrastructure
- Who provides what reporting information?
Only Parties? Or project developers authorized by Parties?