Implementing Article 6.4: Options for the Host Party relating to the registration of any transitioning CDM & new activities

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Presentation outline

- Context
- Possible host Party (HP) tasks in relation to new Article 6.4 activities
- Options for HP in relation to possible transition of CDM activities to Article 6.4
- Conclusions
Context

• Pace and scale of global GHG emission reductions needed is clear

• Host Party (HP) has NDC, needs to decide (if participating in A6.4):
  • Criteria: whether to establish any domestic criteria for participation in A6.4
  • Procedures: domestic processes to approve activities, authorise intl. transfers
  • Actors: who is involved/in charge of which domestic procedures
  • Standards: whether to have supplementary domestic standards for A6.4, e.g. country-specific baseline methods, assumptions, emission factors etc.

• Widely different host Party (HP) contexts:
  • Number/type of CDM projects that could transition
  Form, coverage and stringency of NDC
Possible host Party tasks for new A6.4 activities (1)

- Many actions needed… and some optional actions
  - Technical work (e.g. development of standardised methodologies in selected sectors)
  - Optional: Establish (in addition to RMP) domestic criteria on eligibility, timing etc
  - Optional: Establish any broader domestic criteria e.g. SDGs linkages, cost floor
  - Establish bodies to undertake relevant tasks (or assign to already-existing bodies)
  - Designate a national authority

- These can be started before RMP agreed
Possible host Party tasks for new A6.4 activities (2)

- Establish process to assess a proposed new A6.4 activity
- Establish process to domestically approve proposed activities
- Establish process to authorize credit issuance
- Establish process to request registration

- Define, allocate responsibilities for domestic A6.4 process
- Technical input on methods, additionality etc.
- AP to submit relevant docs
- DOE to submit relevant forms
- 6.4SB to develop activity-related documents
- Timeline of expected credits for activity
- Quantitative info. e.g. timeline of current transfer liabilities

- Some procedures could be “repurposed” from the CDM

- Procedures

= host Party
= activity participants
= 6.4SB
= DOE
= can usefully be started prior to CMA agreement
= needs CMA agreement
= new task compared to CDM
Possible HP tasks for transitioning CDM activities

- The process for transitioning CDM activities could be organised in different ways; different options have different time, resource implications.
- Key question 1: which existing eligible CDM activities to approve to transition?
  - Options: Blanket assessment, grouped assessment, case-by-case

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<th>Optimise regulatory efficiency</th>
<th>Minimise admin, $ burden on PPs</th>
<th>Minimise admin burden on HP</th>
<th>Compatibility with A6.1</th>
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<tbody>
<tr>
<td>Blanket assessment</td>
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- Key question 2: how to request, communicate HP approval?
  - Options: Designated National Authority-led, proactive role of PP
Conclusions

• New context; opportunity for:
  • changes to domestic procedures for activity approval
  • updated/new domestic criteria for A6.4 participation

• Lots of work needed, but not starting from scratch: e.g. CDM DNA

• Some new actions may be important, e.g. assessing timeline of credit transfers from new/transitioning activities and how this could impact NDC

• Majority of HP work can start in advance of agreement on Article 6 rules, modalities and procedures

• Trade-off between resource needs and compatibility with A6.1, e.g. in HP approval for assessment to transition of eligible CDM activities
Thank you!

For further information: [www.oecd.org/env/cc/ccxg.htm](http://www.oecd.org/env/cc/ccxg.htm)

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