

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

13-15 September 2021

Understanding current and planned provisions of reporting and review under Articles 6 and 13 of the Paris Agreement (Part 1 - Reporting)

- There is general consistency in A13 and draft A6 reporting provisions.
- However, further clarity in some provisions of draft A6 reporting guidance would help practitioners implement them, once agreed.
 - There is an opportunity to clarify some details of these draft texts at COP, as well as subsequently (e.g. SBSTA).
 - It is not possible to resolve everything by/at COP. How to balance opening a can of worms vs kicking the can down the road?
 - Different views on which parts of text could usefully be revised (e.g. content, timing and frequency of initial report, ability to bank ITMOs).



Understanding current and planned provisions of reporting and review under Articles 6 and 13 of the Paris Agreement (Part 2 – Review)

- Several areas need to be clarified:
 - Objective, scope, mandate and frequency of A6 review;
 - Sequencing and interplay of A6 and A13 reviews.
- However, clarifying the scope of review can only be done after there is clarity on what needs to be reported under Article 6.2.
- Need for A6 and A13 experts to work together to ensure systems are efficient and overlap between A6 and A13 reviews is minimised.
 - This can also help to improve efficiency, by streamlining resource requirements;
 - Capacity challenges may be significant, both at national and international level.

Understanding countries' net-zero emissions targets

- Countries are adopting diverse approaches to their net-zero targets and many details are often unclear. However, the devil is in the details as different approaches could have different outcomes for the global temperature goal.
- Nesting different types of policies (national/sectoral; short/long-term), aligning investment plans and implementation roadmaps; and drawing a link between company and country net-zero targets can help to support implementation.
- Inclusive processes and governance mechanisms are key for developing a net-zero target that is implementable and has buy-in. Regular, transparent review processes can help to keep on track to net-zero.

Exploring the role of international carbon markets in achieving countries' net-zero targets

- Little detail is currently available on the expected role of international carbon markets in countries' net-zero targets. Some countries are waiting for agreed rules on Article 6 to define their strategies.
- International carbon markets (Article 6) could help countries achieve their net-zero targets with greater economic efficiency, while providing other sustainable development benefits, and complementing domestic emission reductions.
 - There are opportunities and risks on both the supply and demand side: caution is needed when defining caps as current NDCs are not sufficiently ambitious to meet Paris Agreement temperature goals; there are also divergent views on potential role of sequestration from land-use
 - Environmental integrity can be significantly impacted by specific technical details: some of these will be addressed at COP26 in Article 6 negotiations, others could be addressed via the interplay of international and voluntary carbon markets.
- Ambitious mitigation scenarios do not lead to large volumes of low-cost offsets. International carbon markets could shift the focus towards “high-hanging fruit” mitigation opportunities.

Preparations for the Global Stocktake

- It is important that the GST achieves its intended outcome of informing Parties in updating their NDCs and enhancing international cooperation for climate action.
 - Moving from outputs to outcomes is currently unclear, but crucial;
 - Can lessons be learned from the Talanoa Dialogue process?
- Important to have a comprehensive, integrated and balanced process that considers linkages between different thematic areas and cross-cutting issues, takes account of barriers and how to overcome challenges to reach overall goals.
 - The role of the ETF is likely to be relatively limited in/for GST1, but will likely grow over time with the availability of information.
- Ensuring ownership and engagement by Governments and stakeholders, including through a manageable process with clear expectations, can help to operationalise the GST outcome.