

Reflections from SB56

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

TOKYO, 6 September 2022



Key takeaways from SBSTA 56 – Article 6.8

Key takeaways

1st meeting of Glasgow Committee on Non-market approaches

Positive engagement and active participation

Schedule for work programme

UNFCCC web-based platform

Details

- Co-chairs published an informal note capturing the discussions by Parties. The first meeting was adjourned after Parties agreed on a conclusion.
- Diverging views mainly on matchmaking function for web-based platform.
- Many submissions received from Parties and Non-party stakeholders leading up to SB 56.
- Continued throughout SBSTA 56 with high attendance during the in-session workshop
- Parties provided inputs to the Co-chairs informal notes on the period and timeline and outcomes of programme activity
- Divergence views exist on the outcomes of programme activity e.g. establishment working groups for good practices in the focus
- Parties provided inputs to the Co-chairs informal notes on the specifications for the UNFCCC web-based platform
- There are diverging views on whether the web-based platform should include a matchmaking functionality and mapping of NMAs and opportunities.



Roadmap to COP 27 for Article 6, paragraph 8 work programme

September

- Report for the in-session workshop at SBSTA 56
- Technical report on the specifications for the UNFCCC web-based platform for recording and exchanging information
- Synthesis report on the basis of the submissions from Parties
- Virtual intersessional workshop on web-platform

October

- Technical paper on NMA linkages and submission from Parties
- SBSTA Chair informal document incl. textual proposals

**November
(COP 27)**

- SBSTA 57 recommendation and CMA 4 decision on the schedule for implementing the work programme activities and the specifications for the UNFCCC web-based platform



Key takeaways from SBSTA 56 – Article 6.4

Key takeaways

Details

Share of Proceeds

- Build based on CDM; Apply both at registration and issuance. (Admin levy)
- Monetizing collected A6.4ERs (e.g., price triggers, minimum volume, timing) is to be developed by the Adaptation Fund Board or the CMA
- Frequency of monetary review years (2/3/5)
- Fee charged at R&I should cover both SOP admin and adaptation, while needing to determine the proportion of SOP adaptation in the fee (e.g. 20 or 30 per cent);
- **CA applies to both auth and non-auth units**

OMGE

- OMGE applies to both Auth and non-Auth
- Additional OMGE beyond 2% can follow Vol .Cancellation mode.
- **CA only applies to Authorized (NO);**
- **First transfer definition (mutatis-mutandis 6.2)/NO ;**
- **OMGE applies to transitioned unit / NO do not apply**

Process for transition

- Application of methodology (2025 and if HP wish not to)
- Crediting period from previous period to be included or not.
- Adjustment and application of SOP/OMGE
- Relaxation to transition activity (NO)
- Simple formats for transition; need to revalidation??
- Expedition for small scale/PoA what it means??



Key takeaways from SBSTA 56 – Article 6.4 (Reporting)

Key takeaways

Avoiding duplication of reporting information:

Linkages with 6.2 reporting

Indication by HP for participating in 6.4 Mech

Reporting by HP pursuant to 6.4 reporting

Details

- Information is highly centralized, clarity on what is relevant information for parties to report??
- Public information is available and do not duplicate and add constraints

- Simplified process for reporting of 6.4 activities is needed if they are subject to reporting under 6.2;
- 6.4 activity level information, whereas 6.2 Party-level information;
- 6.4 authorized for NDC, OIMP triggers 6.2 reporting
- MR links to the IR but not to the Article 6 database;
- Detailed quantitative information is to be reported and collected through the MR which should be connected to the Article 6 DB;

- HP are to submit an initial report containing the items of information included in paragraphs 26 and 27 of the RMP;
- Some of the sections in the initial report could be reported by the HP and some provided by the A.6.4 SB
- Identification of any further information in the initial report by the host Party is needed.

- Form and template to be defined; information only on CA.
- Quantitative information on 6.4 by Sec or 6.4 SB. Prefilled template
- Timing of information pursuant to participation and optionality exercised by HP



Key takeaways from SBSTA 56 – Article 6.4

Key takeaways

Use of CERS for first or first updated NDC

- Mechanics of moving and tagging is left (Admin to tag??)
- Mostly related to mech registry, intl registry etc broad package
- **OMGE/SOP applies to transition unit / Do not apply**
- Procedure to trigger and use; Ensure no double counting.

Emission avoidance and conservation enhancement

- **Concept and definition** (Non-GHG emitting tech, REDD+)
- Eligibility : Removal activities that qualify as ER/Removal.
- Future work : Address at SB, Meth , Sec literature review.

National arrangements

- Wait for A.6.4 implementation rules to conclude
- Review of possible gaps in the 6.4 RMP with respect to the responsibilities of Parties and the A.6.4 SB is needed

Mechanism registry

- New functions and specifications are needed (SOP&OMGE), **should relate to [integrate] different infra elements like IR, NR etc. [only IR]**
- Use the lessons from different existing registry system , including private sector accounts
- Include elements such as security, audit etc
- Specific process for issuing A.6.4 ER, authorization, CA by HP

Details



Implementation of 6.4 RMP (through work of SBSTA)

Substantive aspects	Outcomes (further guidance)	SBSTA 56 outcomes
Roles of host Party	<ul style="list-style-type: none"> Elaboration and application of national arrangements for the mechanism under the approval and supervision of the A.6.4 SB 	SUB
Scope	<ul style="list-style-type: none"> Inclusion of Avoidance 	SUB
Process implementation	<ul style="list-style-type: none"> Mechanism registry SOP for adaptation OMGE 	SUB, TP, WS
	<ul style="list-style-type: none"> Transition of activities 	SUB, TP, WS
	<ul style="list-style-type: none"> Use of CERs towards first or first updated NDCs. 	SUB, TP, WS
Reporting	<ul style="list-style-type: none"> Reporting by host Parties on their Article 6, paragraph 4, activities 	SUB, TP, WS

SBSTA CHAIR TO PRODUCE INFORMAL TEXTUAL PROPOSALS WITH DRAFT DECISIONS

UNFCCC – Update the status of work on the CB and implementation plan



Mandates related to article 6.4 RMP (through A.6.4 SB)

Substantive aspects	Outcomes (further decisions at CMA)
Rules of procedure for the Supervisory Body	<ul style="list-style-type: none">• RoP and to operate and hold meetings based on the annex pending any further guidance
SOP for administration	<ul style="list-style-type: none">• Appropriate levels including to enable a periodic contribution to the SOP for adaptation for the Adaptation Fund
Methodology procedures 6.4	<ul style="list-style-type: none">• The application of the requirements in the methodologies
Elaboration for removal activities 6.4	<ul style="list-style-type: none">• Appropriate MRV provision, addressing reversals, avoidance of leakage, and avoidance of other negative environmental and social impacts

Key takeaways from SBSTA 56 – Article 6.2

Key takeaways

Details

Format of the report

- All reports developed in a tabular format,
- Enable cross-checks between tables and reports,
- Make the distinction between quantitative and qualitative information
- Initial report can be either in form of the table or outline
- Regular report should be in form of tables.
- The tables/formats developed should provide clear information on the delivery of OMGE and resources for adaptation

Agreed electronic format

Granularity

Process for submission

- One simple aggregated table for all information required by pa 20 (a-b) ; there should be flexibility.
- Should remain as in decision text, further granularity needed.
- The process of submission be streamlined , including the frequency of submission of the initial report, annual information and regular information;

Initial report and regular information

- Initial report contains disaggregated information, including on how Article 6 contributes to ambition and aligns with Parties' NDCs, long-term strategies, etc
- Parts of the regular information will be provided in the BTR itself and the same information should not be submitted twice
- Populate regular information from A.6 database.



Key takeaways from SBSTA 56 – Article 6.2

Key takeaways

Infrastructure Registries /International registry

Details

- Registries may be different, some hold assets and some track records or both;
- **National registries must serialize units and track them through their life cycle, including authorization; do not track issuance or units, but rather reflect the movement of assets in the underlying registries;**
- Determine how national registries will communicate with one another;
- National registries do not need to connect to one another but do need to link through the CARP and the IR
- National registries can, but do not have to, connect to the IR:
- No requirement for a link between registries that Parties have, or have access to, and any other system,
- The registries should also allow for disaggregation and authorized entities to be captured;
- **CARP** - platform that integrates the international registry and the Article 6 database and has a user-friendly, dynamic, public interface that is accessible and easy to read
- Is a system that compiles the information submitted by participating Parties and may have a multi-layered structure such as a relational database;
- **Article 6 database** : consistency check, reconciliation between amounts, full integration between the international registry and the Article 6 database;



Key takeaways

Review

Details

- A.6 TER - review the consistency of the information provided on the cooperative approach in accordance with the guidance and not only internal consistency of the reported information.
- **Depth of the review**
- **Article 5 vs Article 6 Assessment of REDD+**
- Timing : Reviews should be organized in periodic cycles, at least once or twice a year;
- Reviews should start with the review of the initial report and be followed by the review of the regular information and annual information
- Consistency between the reporting of all Parties participating in a cooperative approach in respect of that cooperative approach
- Recommended action when inconsistency is identified and how the party should respond.
- Implications of non-responsiveness to recommended actions:
- Composition and training of review etc.



Key takeaways from SBSTA 56 – Article 6.2

Key takeaways

Details

Special circumstances of the LDC/SIDS

- Rules for implementing Article 6.2 must be fully understood and implemented before exemptions and flexibility can be considered for LDCs and SIDS.
- Could be reviewed after 5 years (timeline, participation, reporting etc).

Accounting

- Need for capacity building
- The relationship between trajectory, trajectories and budget;
- Time lag between corresponding adjustments made between issuing and using Party will affect reporting

Avoidance

- **Concept and definition (Non-GHG emitting tech, REDD+)**
- Eligibility : Removal activities that qualify as ER/Removal.



Implementation of A.6.2 in 2022 (through the work of SBSTA)

Outcomes (further guidance)	SBSTA 56 outcomes
Reporting : Tables and Outlines	SUB, TP, WS
Review : Guidelines	SUB, TP, WS
Infrastructure : Recommendations for implementation: <ul style="list-style-type: none"> • Connections between IR and MR • Survey choice between implementing a registry, having access to a registry and using IR 	SUB, TP, WS
ITMOs - Inclusion of 'avoidance'	SUB
Accounting rules LDCs/SIDS circumstances ; Corr. adjustments	SUB

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THANK YOU

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