



A6IP Capacity Building Tools: Article 6 Introductory Guide

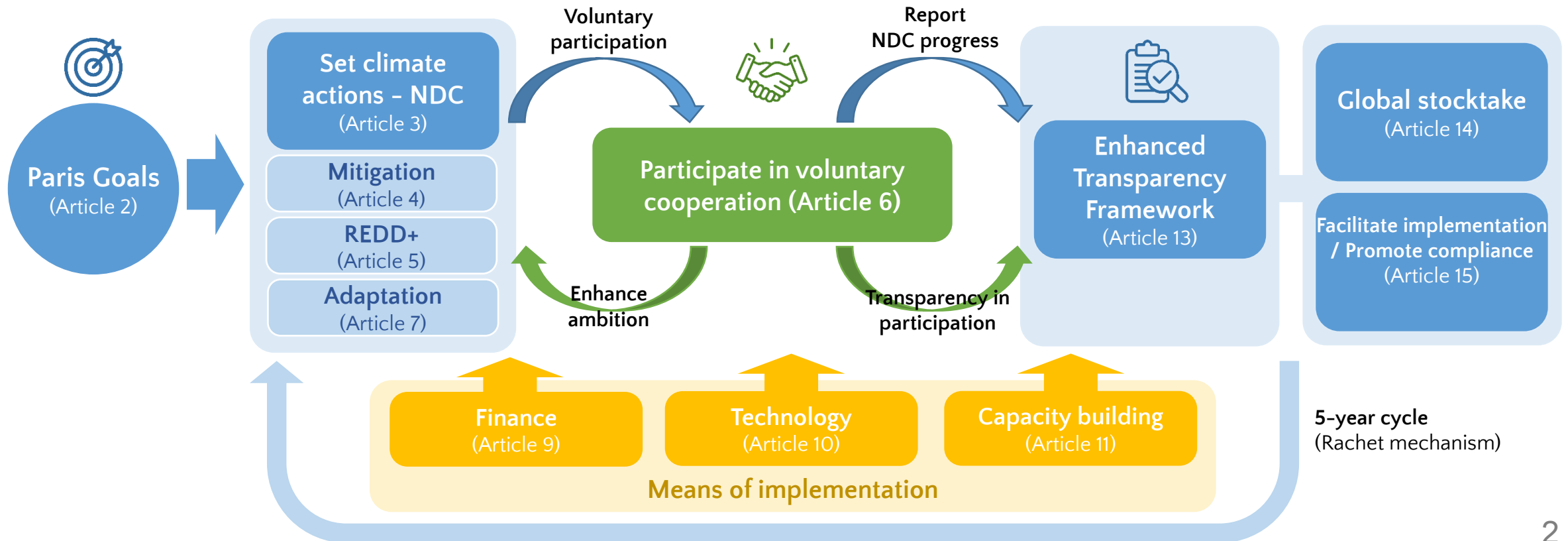
Part I: Introduction



Paris Agreement Article 6
Implementation Partnership Center

Paris Agreement Overview and Article 6

- The Paris Agreement sets the long-term temperature goal of limiting global temperature to 1.5 – well below 2°C.
- Under the Paris Agreement, countries must communicate their **Nationally Determined Contributions (NDCs)** describing actions to reduce GHG emissions and build climate resilience in order to reach the goals of the Paris Agreement.
- In implementing the NDC, **countries may choose to pursue voluntary cooperation (Article 6)** to, among others, allow for higher ambition in their actions. In doing so, countries must also report transparently on their participation.



Participation in cooperative implementation under Article 6 of the Paris Agreement



Parties to the Paris Agreement may choose to pursue **voluntary cooperation** in the implementation of their climate actions (Nationally determined contributions: NDCs):

- To allow for **higher ambition** in their mitigation and adaptation actions;
- To promote **sustainable development** and **environmental integrity**.

Ref: Article 6.1 of the Paris Agreement



Higher ambition

Article 6 allows for high mitigation ambition through promoting **cost-effective mitigation actions, access to low-carbon technologies, carbon finance, and capacity building**. Article 6 also have elements which considers contribution to adaptation efforts.



Sustainable development

Article 6 promotes sustainable development objectives of the host country, including by **delivering environmental, economic and social co-benefits** and promoting progress towards **Sustainable Development Goals (SDGs)**.



Environmental integrity

Article 6 cooperative approaches must ensure environmental integrity which includes by having **robust, transparent governance** and the **quality of mitigation outcomes**.

Components of Article 6 of the Paris Agreement

Paris Agreement Article 6.1

Recognizing that some Parties choose to pursue **voluntary cooperation** in the implementation of their NDCs.

Cooperative approaches under Article 6.2

6.2

When engaging in **cooperative approaches** that involves the use of **ITMOs***,

- Promote sustainable development
- Ensure environmental integrity
- Apply robust accounting to avoid double counting consistent with **CMA*** guidance

6.3

The use of ITMOs towards NDCs shall be **voluntary and authorized** by participating Parties.

Article 6.4 Mechanism

6.4

Establishes **Article 6.4 mechanism**, supervised by a designated body (Supervisory Body), and lays out the objectives of the mechanism

6.5

6.4ERs not to be used for host Party's NDC if used by another

6.6

Use of **share of proceeds** for administrative expenses and adaptation

6.7

Mandate for CMA to adopt **rules, modalities, and procedures**

Framework for non-market approaches

6.8

Recognizes the importance of **non-market approaches** to assist NDC in the context of sustainable development and poverty eradication

6.9

Defines a **framework for non-market approaches** to sustainable development

* **ITMOs**: Internationally transferred mitigation outcomes
CMA: Conference of the Parties serving as the meeting of the Parties to the Paris Agreement.

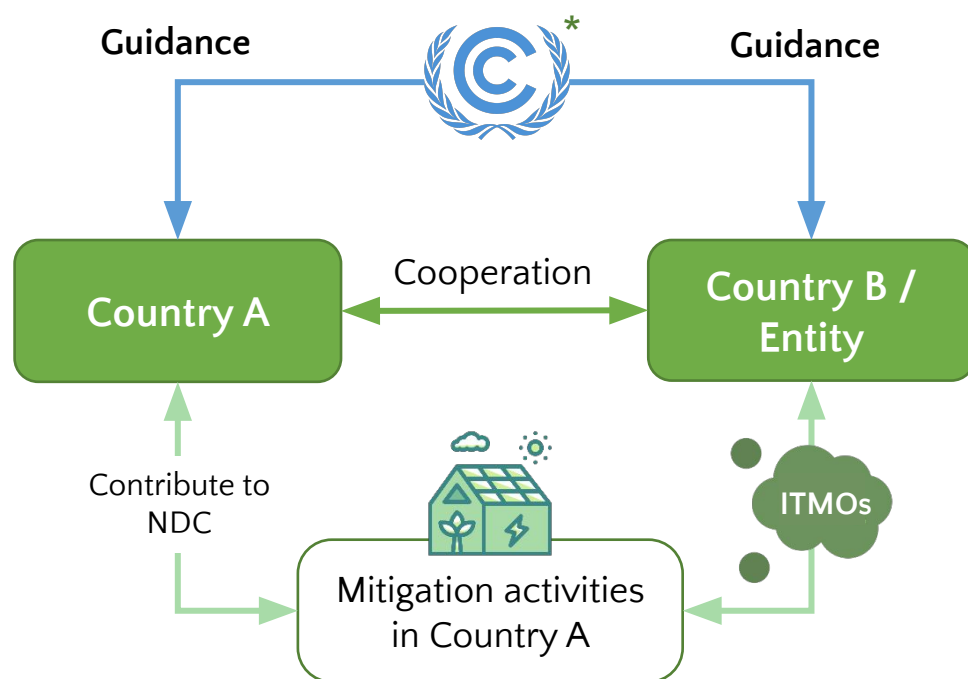
Article 6 Rulebook: Key decisions on Article 6

Component	Body	COP 26 Glasgow, 2021	COP 27 Sharm El-Sheikh, 2022	COP 29 Baku, 2024
Article 6.2	CMA	Decision 2/CMA.3 Article 6.2 guidance	Decision 6/CMA.4 • Tracking guidance • Review guidance • Reporting outlines and draft version of AEF	Decision 4/CMA.6 • Further guidance relating to authorization, reporting and review, tracking • Updated draft AEF
Article 6.4 (PACM)	CMA	Decision 3/CMA.3 Article 6.4 rules, modalities and procedures (RMP)	Decision 7/CMA.4 • Elaboration of processes, including on CDM transition • A6.4SB rules of procedure	Decision 5/CMA.6, 6/CMA.6 • A6.4SB's adoption of methodology & removal standards • Further guidance on authorization, registry, and CDM transition
	A6.4SB		Standards, procedures, and tools necessary for the operation of Article 6.4 mechanism adopted and being developed by Article 6.4 Supervisory Body	
Article 6.8	CMA	Decision 4/CMA.4 Adoption of the work programme	Decision 8/CMA.4, 17/CMA.5, 7/CMA.6 Implementation of the work programme activities and assessment	

Other relevant decisions include e.g. Para. 77 (d) of Decision 18/CMA.1 (Enhanced Transparency Framework)

Guidance on cooperative approaches under Article 6.2

Example of a cooperative approach structure



Countries/parties to the Paris Agreement (referred to as “participating parties”) may engage on a voluntary basis in **cooperative approaches** that involve the use of “**internationally transferred mitigation outcomes**” (ITMOs) towards NDCs and other international mitigation purposes.

In doing so, each participating party must ensure that its participation in the cooperative approach is **consistent with the Article 6.2 guidance** and relevant CMA decisions. This includes, inter alia:

- Ensuring fulfilment of **participation responsibilities**
- **Avoiding double counting** of ITMOs through application of corresponding adjustments referred to in the guidance
- **Tracking and reporting** which goes through the review process in accordance with the guidance

The guidance also lays out **Article 6.2 infrastructure**, including centralized accounting and reporting platform (CARP) and Article 6 database.



UNFCCC platform

- CARP (Interim Solution) ([Click here](#))

* CMA: Conference of the Parties serving as the meeting of the Parties to the Paris Agreement.

Examples of cooperative approaches under Article 6.2



Mitigation activities (Bilateral cooperation)



Promotion of climate smart agriculture practices for sustainable rice cultivation in Ghana



ITMOs Max. **3,231,171** tCO₂e (2023-2030)



Operation of e-buses on privately owned, scheduled public bus routes in the Bangkok Metropolitan area



ITMOs Max. **500,000** tCO₂e (2022-2030)



Electrification of Vanuatu's Inhabited Islands through Solar Power ITMO Programme



ITMOs Exp. **97,217** tCO₂e (2022-2030)

Mitigation activities (Unilateral)



Emissions Reductions from Sustainable Management of Forests



ITMOs Max. **7,144,362** tCO₂e for 2021



ITMOs resulting from Paris Agreement Article 5.2



ITMOs Qty. not specified



List of cooperative approaches (IR submitted)
From CARP ([Click here](#))

Examples of cooperative approaches under Article 6.2

Crediting mechanisms



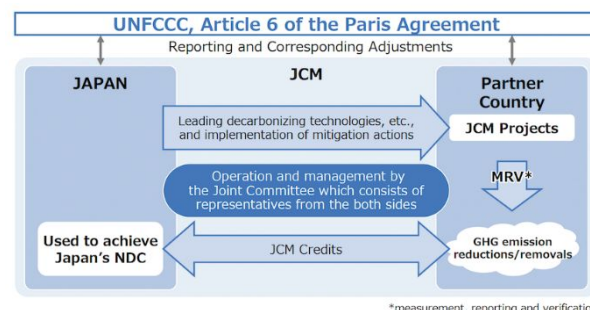
Paris Agreement Crediting Mechanism (PACM)

Parties to the Paris Agreement



Expected mitigation of each activities shown in MADD

- Governance: Article 6.4 Supervisory Body
- Rules and regulations



Joint Crediting Mechanism (JCM) between Japan and partner countries



+

Partner countries



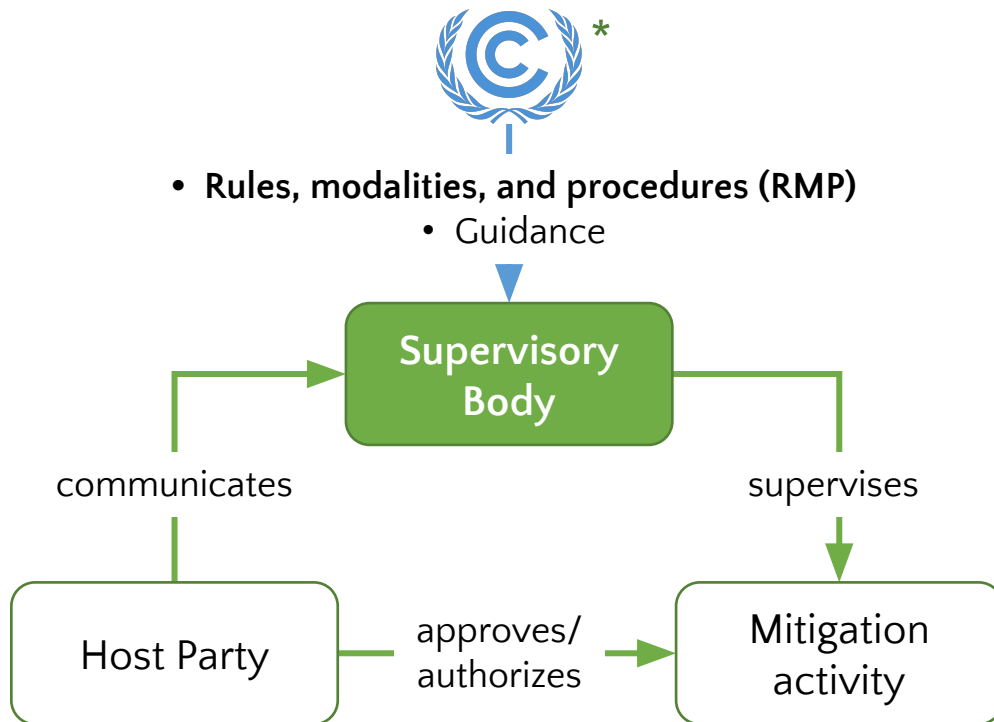
Expected mitigation of each activities shown in MADD

- Governance: Joint Committee
- Rules and guidelines



Article 6.4 Mechanism

(Paris Agreement Crediting Mechanism: PACM)



Article 6.4 Mechanism is a centralized UN crediting mechanism that enables the creation of **Article 6.4 emission reductions (A6.4ERs)** that can be used by countries to meet their NDCs (subject to authorization status) and other purposes.

Article 6.4 Supervisory Body supervises the mechanism, including establishing the requirements and processes necessary to operate the mechanism.

The host country (the country in which the activity is located) has important roles in the implementation of the mechanism including by providing an approval of the mitigation activity and an authorization in the context of Article 6.2 (if decided so).

* CMA: Conference of the Parties serving as the meeting of the Parties to the Paris Agreement.



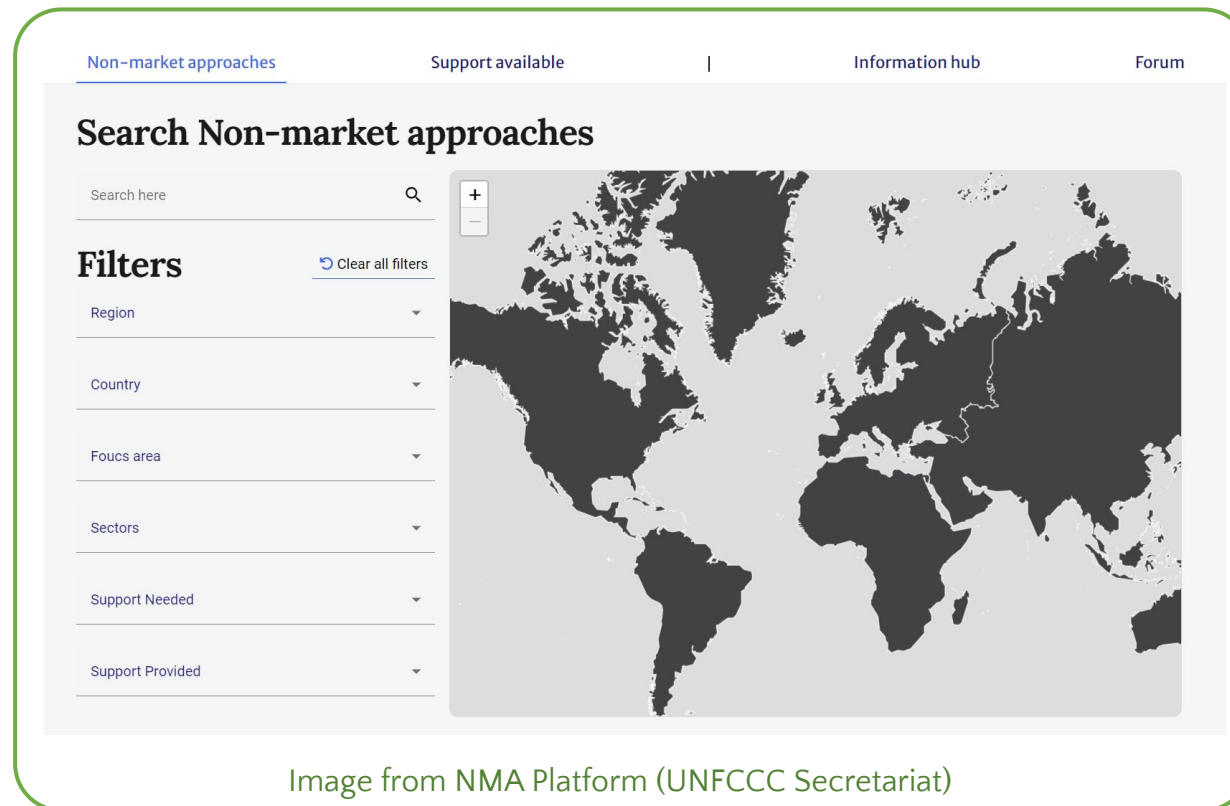
Further reading

- Article 6.4 Mechanism (PACM) webpage ([Click here](#))
- Article 6.4 Supervisory Body webpage ([Click here](#))

Framework for non-market approaches (Article 6.8)

The framework for non-market approaches (NMAs) facilitates the use and coordination of NMAs and enhances linkages/creates synergies between, inter alia, mitigation, adaptation, finance, technology development and transfer, and capacity-building. The framework is implemented through the work programme adopted at COP26.

The Glasgow Committee on Non-market Approaches was established to implement the framework and the work programme.



The NMAs work programme includes activities such as (non-exhaustive):

- Workshops to identify and share information, best practices, lessons learned and case studies on NMAs
- UNFCCC web-based platform for recording and exchanging information on NMAs



NMA tools

- NMA Platform ([Click here](#))

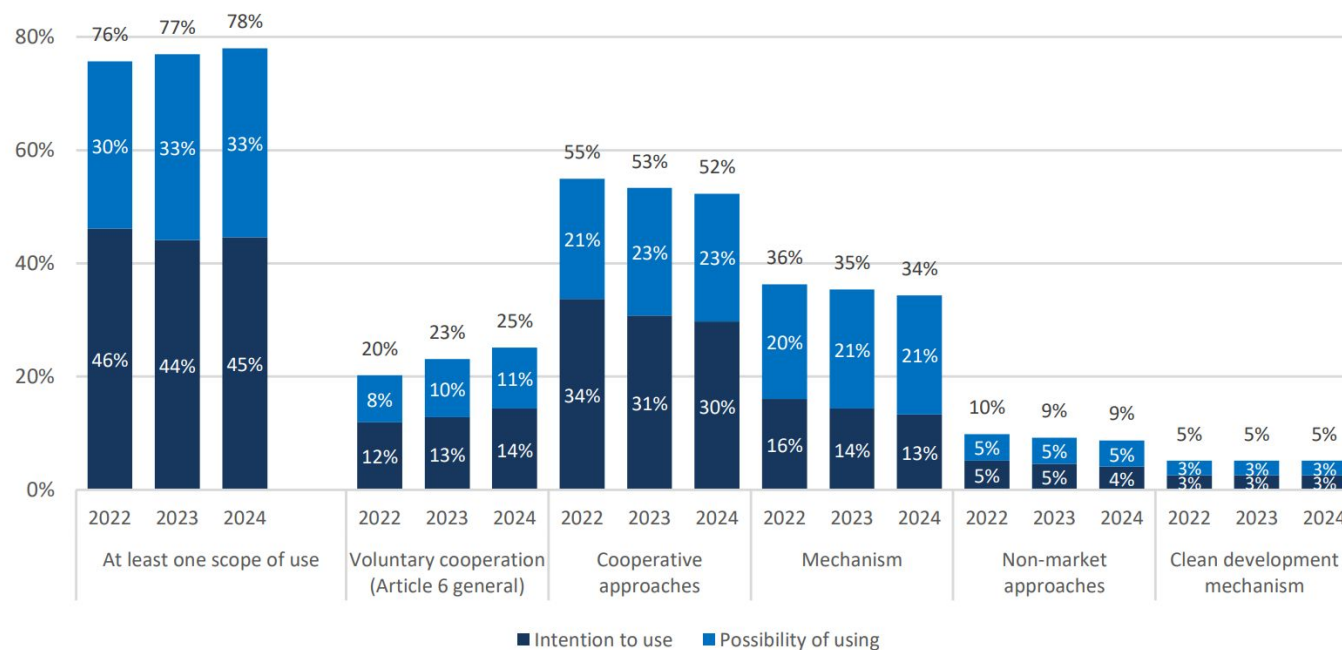
Intention to use Article 6

78% of Parties to the Paris Agreement stated that they plan to or will possibly use at least one type of voluntary cooperation under Article 6 of the Paris Agreement.

- **12%** communicated the use of voluntary cooperation as a condition for achieving their mitigation targets
- **36%** set limits on their use of voluntary cooperation: 32% qualitative limits (e.g. standards), 5% quantitative limits (e.g. supplement to domestic efforts), 3% only towards conditional NDCs

– UNFCCC Secretariat (2024)

Share of Parties indicating in NDCs the intention to use or possibility of using Article 6 of the Paris Agreement



From [2024 NDC Synthesis Report](#) (UNFCC Secretariat)

Article 6 participation promotes higher ambition

The outcome of the first Global Stocktake recognizes the important role of cooperative implementation under Article 6 towards achieving the purpose and long term goals of the Paris Agreement – *Emphasizing* the urgent need for accelerating the use of voluntary cooperation under Article 6. (Decision 1/CMA.5, para. 31)

Article 6.2

- **Participation responsibilities:** Each participating Party shall ensure that its participation contributes to the implementation of its NDC and LT-LEDS, if it has submitted one, and the long-term goals of the Paris Agreement.
- The UNFCCC secretariat to implement a **capacity-building programme** to, among other things, help Parties ensure that cooperative approaches in which they participate support ambition, which incl. **a dialogue** on how cooperative approaches support ambition (in conjunction with SBI).

Article 6.4

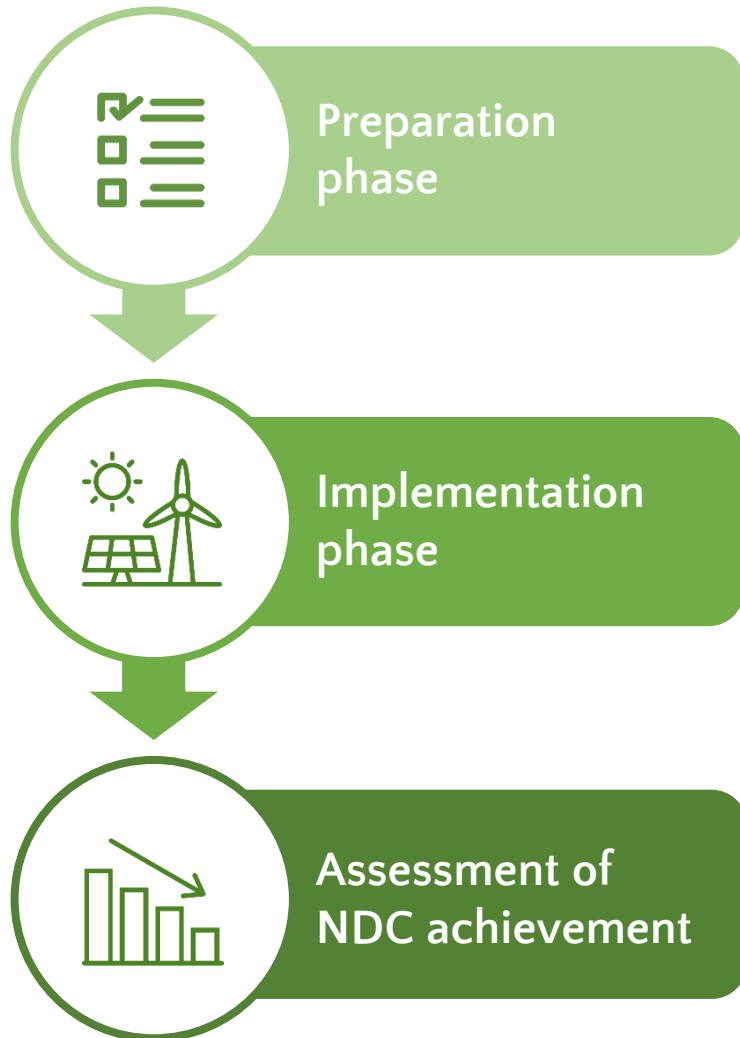
- **Host Party participation requirements:** Host Party must explain how the types of Article 6.4 activity that it would consider approving would contribute to the achievement of its NDC, if applicable, its LT-LEDS, if it has submitted one, and the long-term goals of the Paris Agreement.
- **Methodology principles:** Mechanism methodologies shall encourage ambition over time [...] contribute to reducing emission levels in the host Party, and align with its NDC, if applicable, its LT-LEDS, if it has submitted one, and the long-term goals of the Paris Agreement.

Article 6.8

The work programme includes identifying initiatives, programmes and projects for facilitating NMAs that support the implementation of NDCs to allow for higher mitigation and adaptation ambition in NDCs.

Article 6.2 Implementation at a Glance

Key phases



Key activities

Ensure fulfilment of participation including:

- Put in place **authorization arrangements**
- Put in place **tracking arrangements**

- Provide authorization of the use of ITMOs
- Track ITMOs information
- Report information and apply corresponding adjustments to avoid double counting in NDC progress tracking

In the BTR containing end year of the NDC implementation period

- Application of the necessary corresponding adjustments in the assessment of achievement of the NDC

Reporting

Article 6.2 Initial Report

(no later than authorization of ITMOs or in conjunction with the next due BTR)



- **Annual information**
(by 15 April each year)
- **Regular information**
(by 31 December every 2 years with the BTR)

Article 6.2 participation checklist

To participate in the cooperative approaches, each participating party has to ensure that it has fulfilled the participation referred to in the Article 6.2 guidance.

The following checklist aims to facilitate countries in conducting an initial stocktake of their readiness status with respect to the participation elements in order to identify the country situation and needs.

Participation	Checklist	Readiness status
1. Being a Party to the Paris Agreement	☐ Have you ratified the Paris Agreement?	☐ Yes
2. Prepared, communicated and maintaining an NDC	☐ Have you communicated the (latest) NDC?	☐ Yes, the most updated NDC is recorded on the NDC registry
3. Authorization arrangements	☐ Have you assigned an authority to be in charged with providing authorization? ☐ Have you established the process for providing such authorization, including any relevant procedural, legislative, infrastructural or other arrangements?	☐ Yes, the relevant arrangements/ legislation is now operational/in effect ☐ The framework is in place; Currently in the institutionalization/legalization process (where applicable) ☐ Currently in a drafting process ☐ Currently conducting a study ☐ Under consideration
... (Please see next slide)		

Article 6.2 participation checklist (cont.)

Participation	Checklist	Readiness status
4. Tracking arrangements	☐ Do you have in place a registry or have access to a registry for tracking ITMOs?	☐ Yes, already has a registry which can perform Article 6 functions ☐ Currently improving an existing registry to be compatible with Article 6 ☐ Currently working with a development partner to develop a registry ☐ Intends to use the international registry ☐ Under consideration
5. Provided the most recent national inventory report	☐ Have you provided the most recent national inventory?	☐ Yes, the most recent national inventory can be found in the BTR ☐ Currently have limited capacity with national inventory
6. Contribution to NDC, LT-LEDs (if it has submitted one), and the Paris goals	☐ Have you identified the use of Article 6 in the context of your NDC? ☐ Have you considered the contribution of Article 6 to your LT-LEDs (if applicable) ☐ Have you considered the contribution of Article 6 towards the long-term goals of the Paris Agreement?	☐ Yes, national policy/strategy on the use of Article 6 is in place ☐ Currently formulating/revising the national policy/strategy ☐ Under consideration

Article 6.4 participation responsibilities checklist

Prior to participating in the Article 6.4 mechanism, each host party/country of Article 6.4 activities must ensure that it has fulfilled the following participation responsibilities (mandatory):

Participation responsibilities	Checklist	Reference
1. Being a Party to the Paris Agreement	☐ Yes ☐ No <i>(See also Decision 7/CMA.4, annex I, para. 25 (a))</i>	UN Depository (access link)
2. Prepared, communicated and maintaining an NDC	☐ Yes ☐ No <i>(See also Decision 7/CMA.4, annex I, para. 25 (b))</i>	NDC registry (access link)
3. Designated a national authority	☐ Yes ☐ No	List of Article 6.4 DNAs (access link)
4. Indicated contribution to sustainable development	☐ Have you clarified how the participation in the Article 6.4 mechanism contributes to sustainable development?	Host Party participation requirements form (A6.4-FORM-GOV-001) (access link)
5. Indicated the types of Article 6.4 activity that it would consider approving and contribution to NDC, LT-LEDS, and the Paris goals	☐ Have you decided on the activity types that your country would consider approving/authorizing? ☐ Have you clarified how these activities would contribute to your NDC (if applicable), LT-LEDS (if submitted one) and the long-term goals of the Paris Agreement?	

Article 6.4 participation responsibilities checklist (Optional)

In addition to the mandatory participation responsibilities, a host party/country may specify the following (on a voluntary basis) to the Article 6.4 Supervisory Body prior to participating in the mechanism:

Participation responsibilities (Optional)	Checklist	Reference
1. Baseline approaches and other methodological requirements	☐ Do you wish to specify the baseline approaches and other methodological requirements, including additionality, to be applied for Article 6.4 activities that you intends to host? ☐ In doing so, have you clarified how those approaches and requirements are compatible with your NDC and LT-LEDS (if submitted one)?	The development of baseline approaches and other methodological requirements, including additionality, are pending a decision by the CMA. A host Party may determine a more ambitious level [of baselines] at its discretion. (Decision 3/CMA.3, annex, para. 36)
2. Crediting periods	☐ Do you wish to specify the crediting periods to be applied for Article 6.4 activities that you intends to host, including whether the crediting periods may be renewed? ☐ In doing so, have you clarified how those crediting periods are compatible with your NDC and LT-LEDS (if submitted one)?	The standard crediting period is: • A maximum of 5 years (renewable twice) or a maximum of 10 years (with no renewal) or • For activities involving removals, a crediting period of a maximum of 15 years (renewable twice) Host party may specify a shorter crediting period. (Decision 3/CMA.3, annex, para. 31 (f))



Article 6 Expert Training, Sep. 25-27, 2024, Hayama, Japan

With resource persons from A6IP Center, UNFCCC secretariat, World Bank, UNEP CCC, IETA, CAD Trust, IATA, and MoEJ.

Any questions

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