



## Article 6.4 of the Paris Agreement

4º de noviembre de 2017 / Roundtable Article 6.3 Bonn, <germany



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- This presentation should be considered in conjunction with AILAC submissions
  - Article 6 Guidance (6.2 and 6.4) and RMPs (6.4) shall be applied by all Parties
- Key elements for success
- Reach a consensus on the definition of ITMOs (tCO<sub>2</sub>e)
  - Reach a common understanding on the concepts of environmental integrity and global mitigation:
    - implementation of A6 shall lead to a substantial decrease in global GHG emissions
    - ensure a progression in NDCs towards economy wide coverage and increased ambition
    - environmental integrity is linked to robust accounting, including the avoidance of double counting, which requires, inter alia, corresponding adjustments for **all** international transactions
  - Ensure an open and transparent process that includes non-Party stakeholders and observers
  - Robust rules are not antithetical to innovation. We require robust rules to frame the sort of innovation we need
  - Ensure coherence amongst carbon pricing instruments within the Convention and others, including ICAO-CORSIA and under the IMO



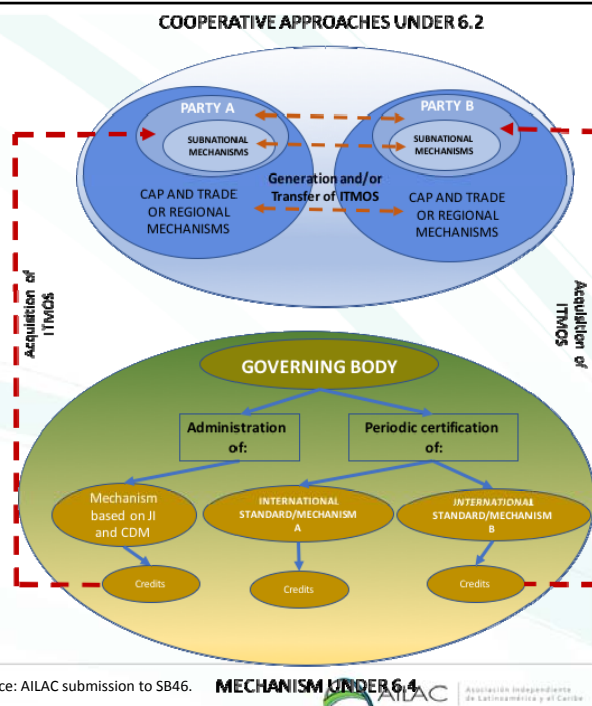
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- The design of the 6.4 mechanism shall consider that **all** Parties have NDCs. This scenario hence is closer to JI than to the CDM
- Accounting for ITMOs generated through the 6.4 mechanism shall follow the 6.2 Guidance, including, *inter alia*, corresponding adjustments for **all** international transactions
- It is necessary to determine which of the RMPs of the KP flexibility mechanisms will be applicable under the Paris Agreement and if they require modification
  - Not an updated “copy-paste” of the KP flexibility mechanisms
- The 6.4 mechanism may create a space for the inclusion of mechanisms/standards that exist outside of the Convention (or parts of them) which would require adequate governance and accounting to this effect.

- *The CDM eventually became a “victim of its own success”*
  - *High volume of project validations and reduction verification requests*
  - *Lengthy procedural timeframes, increased cost for both the Secretariat and the project developer*
  - *Highly-centralized, geographically remote nature of governance caused a disconnect between governance/Secretariat and users (developers and buyers)*
- *High-quality voluntary standards, subject to appropriately robust review and governance under A6.4, can provide numerous advantages*
  - *Existing technical and administrative capacity*
  - *Regional and local engagement*
  - ***Capacity to scale up effectively and quickly***

- Both cooperative approaches under A6.2 (in blue) and the mechanism under A6.4 (in light green) exist independently
- Any Party can use of either or both approaches, as appropriate
- Cooperative approaches under A6.2 focus on interactions amongst Parties
- The A6.4 mechanism would be an internationally governed space to generate MOs and should consider the lessons learned from the flexibility mechanisms of the KP, among others.
- This A6.4 Governing Body could allow other mechanisms to generate MOs, once they have gone through a process of periodic certification.
- MOs achieved through the A6.4 mechanism(s) shall comply with A6.2 Guidelines for **all** international transactions



## ROUNDTABLE ARTICLE 6.4

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