

I. Article 6 of the Paris Agreement

Market and non-market carbon pricing mechanisms,
including Article 6 of the Paris Agreement

In this section

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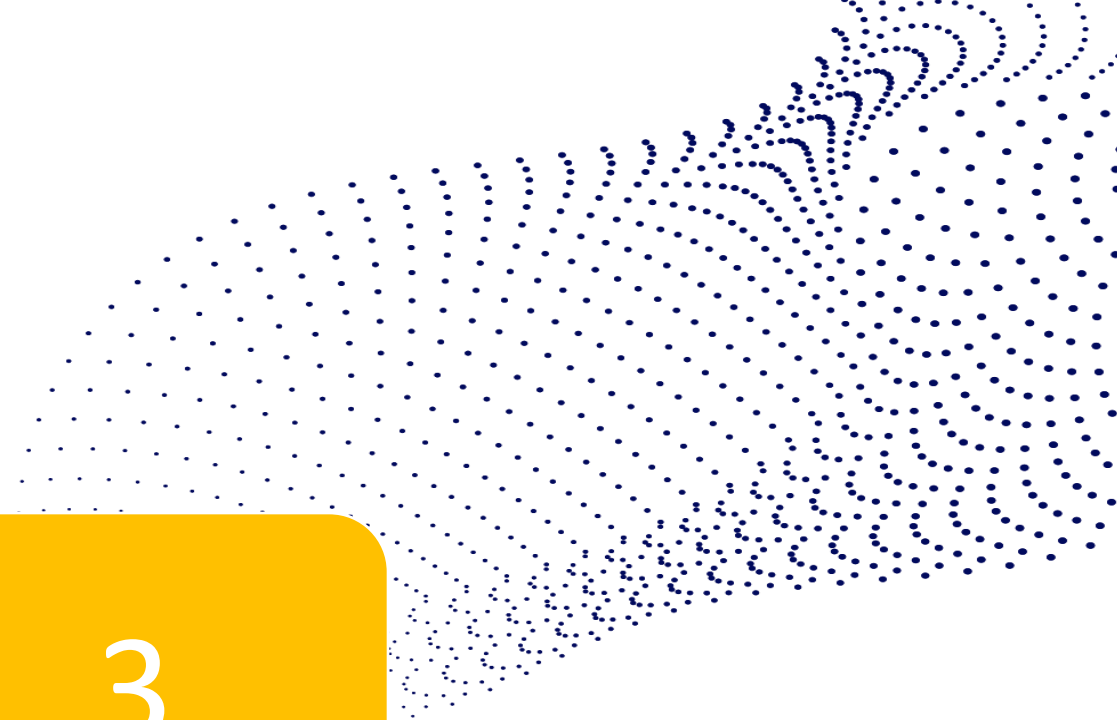
Background

2

Article 6.2

3

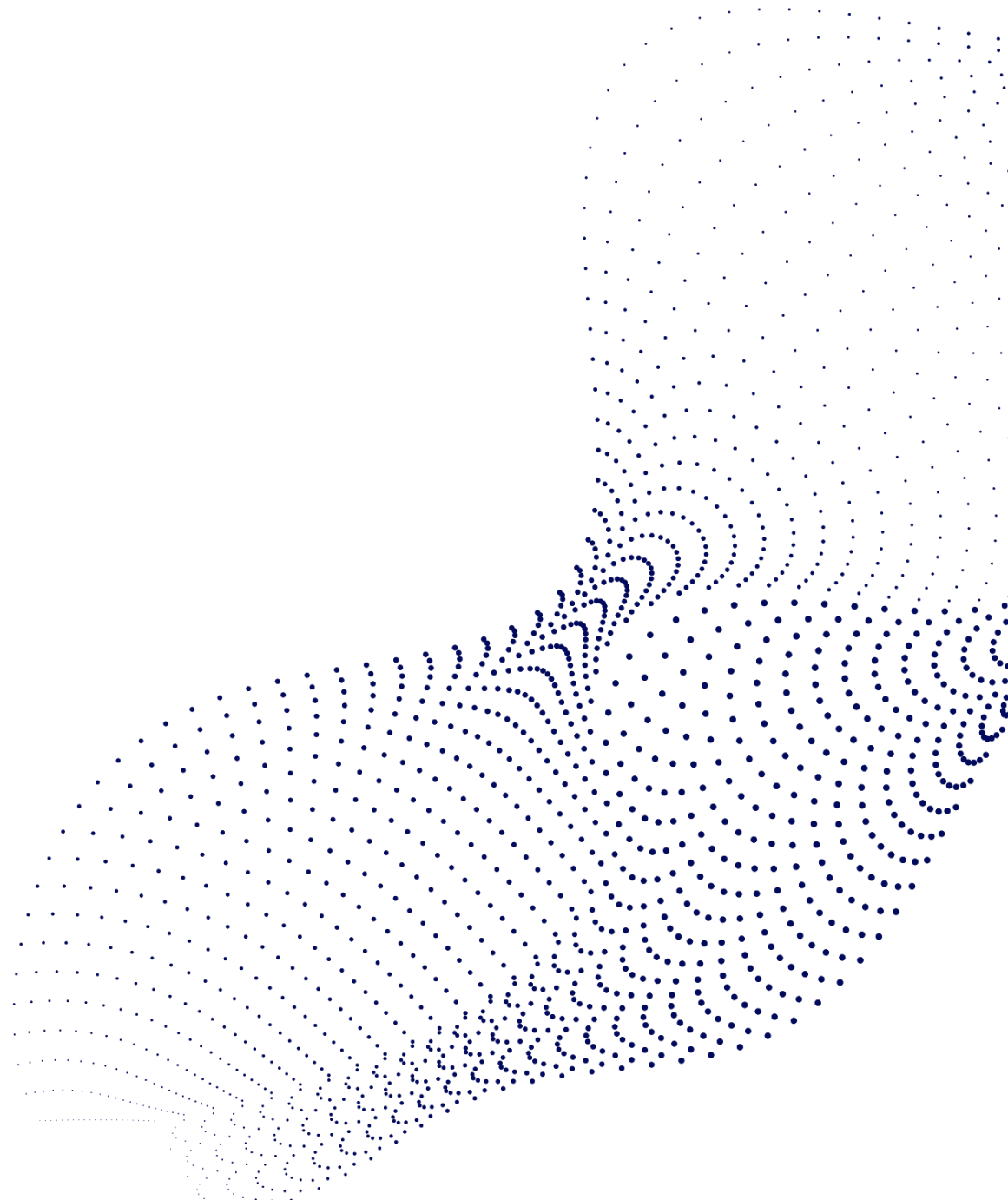
Article 6.4



1

BACKGROUND

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ARTICLE 4.

Nationally determined contributions

NDCs



ARTICLE 6.

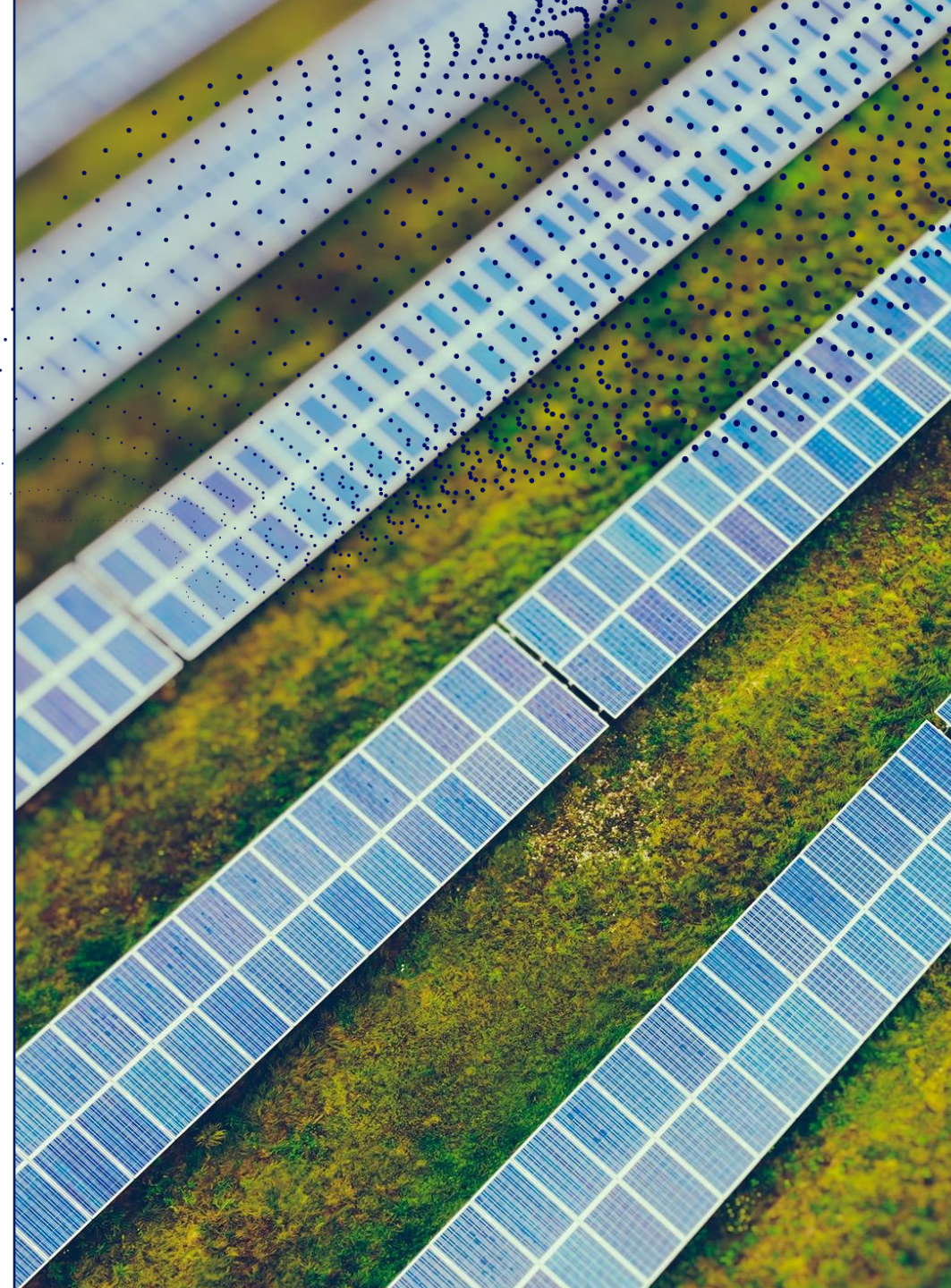
Allows Parties to voluntarily cooperate with each other to achieve emission reduction targets set out in their nationally determined contributions and contribute to higher ambition.



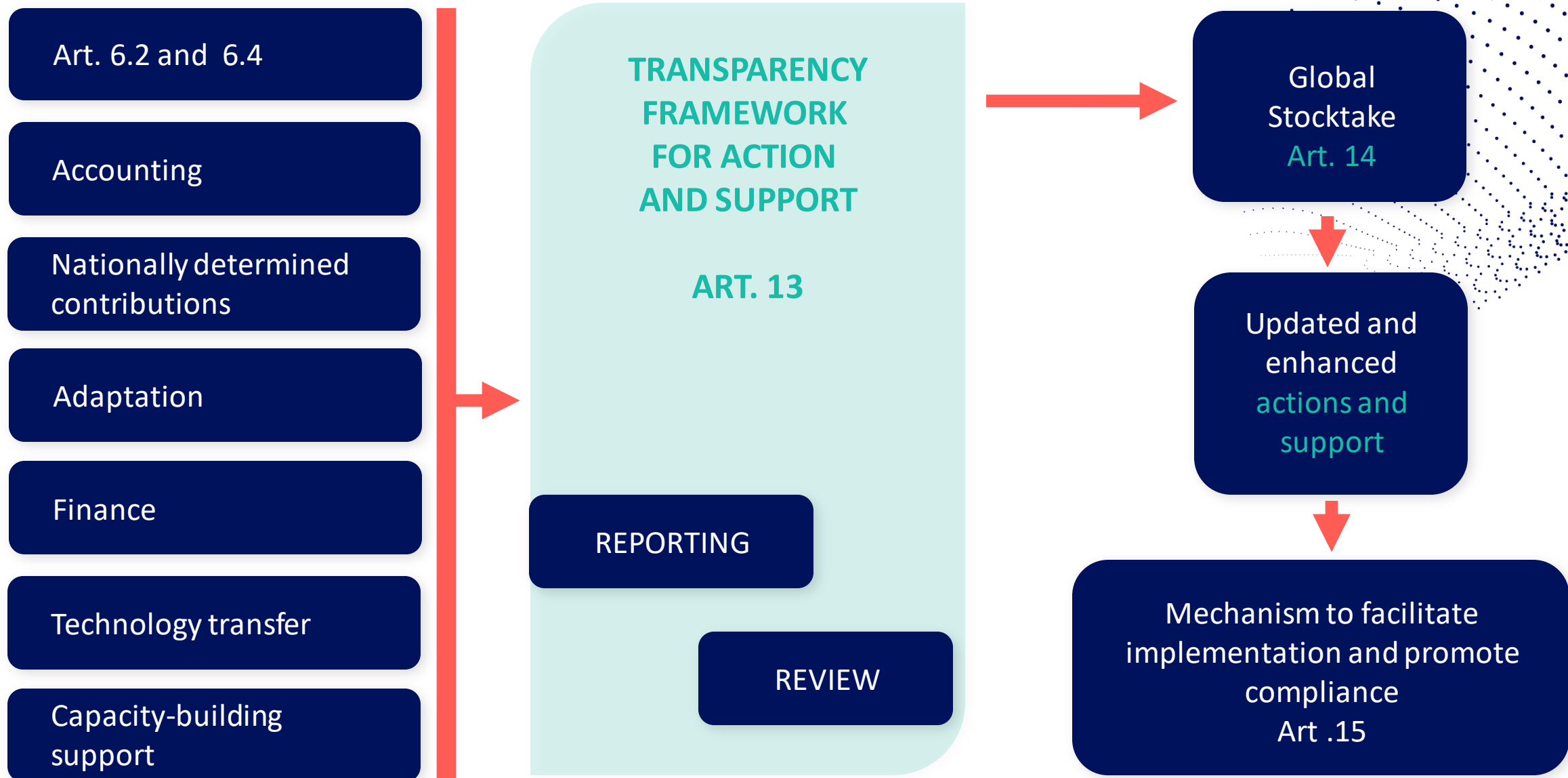
ARTICLE 13.

Enhanced Transparency Framework

ETF



ENHANCED TRANSPARENCY FRAMEWORK.



PARIS AGREEMENT – ARTICLE 6.

6.2



Voluntary cooperation



Use of **internationally transferred mitigation outcomes (ITMOs)** towards NDCs



Guidance by CMA*

6.4



Body designated by the CMA



A mechanism to contribute to the **mitigation** of **greenhouse gas emissions** and support **sustainable development**



CMA to adopt rules, modalities and procedures

6.8



Framework for non-market approaches to sustainable development to **promote** the non-market approaches

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

RULES OF THE CONFERENCE OF THE PARTIES SERVING AS THE MEETING OF THE PARTIES TO THE PARIS AGREEMENT (CMA).

PARIS
AGREEMENT
2015
(Art. 6 and 13)

KATOWICE
2018
(ETF modalities,
procedures and
guidelines)

GLASGOW
2021
(CMA 3
decisions on Art.
6 and 13)

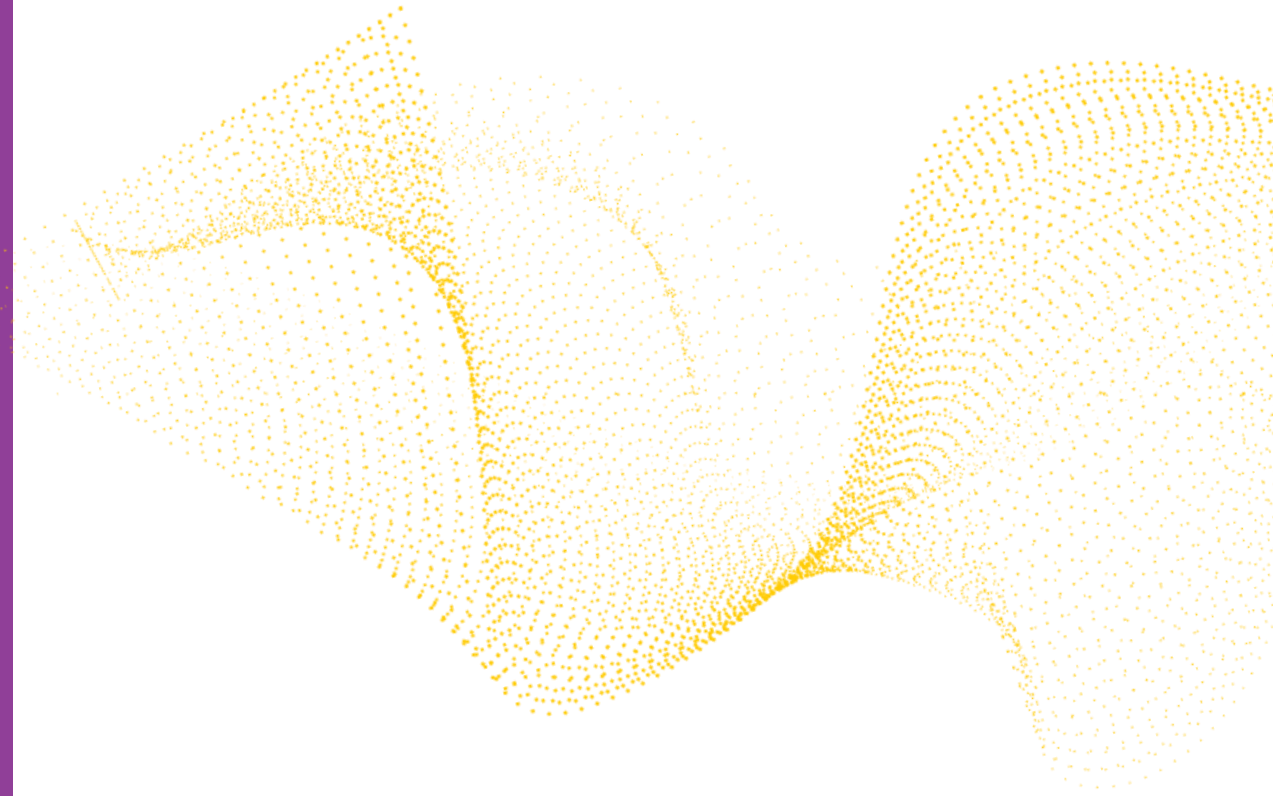
SHARM EL-SHEIKH
2022
(CMA 4 decisions
on Art. 6)

DUBAI
2023
(CMA 5
decisions on
Art. 6)

COP 29
2024

2

ARTICLE 6.2.



INTERNATIONALLY TRANSFERRED MITIGATION OUTCOME (ITMO).

INTERNATIONALLY TRANSFERRED MITIGATION OUTCOME (ITMO) is:

- Real, verified and additional
- Mitigation outcome post 2021
- Emission reduction or removals transferred internationally
- Tonne of CO₂ equivalent or other
- Use towards an NDC
- Authorized by Party for:
 - International mitigation purpose (CORSIA)
 - Other

PARTICIPATION REQUIREMENTS.

Consistent with
CMA

Apply guidance
to all
Corresponding
Adjustments

Party to
Paris Agreement

Prepared,
communicated &
maintaining NDC
(art.4.2)

Arrangements
for authorizing
ITMOs

Arrangements
for tracking
ITMOs

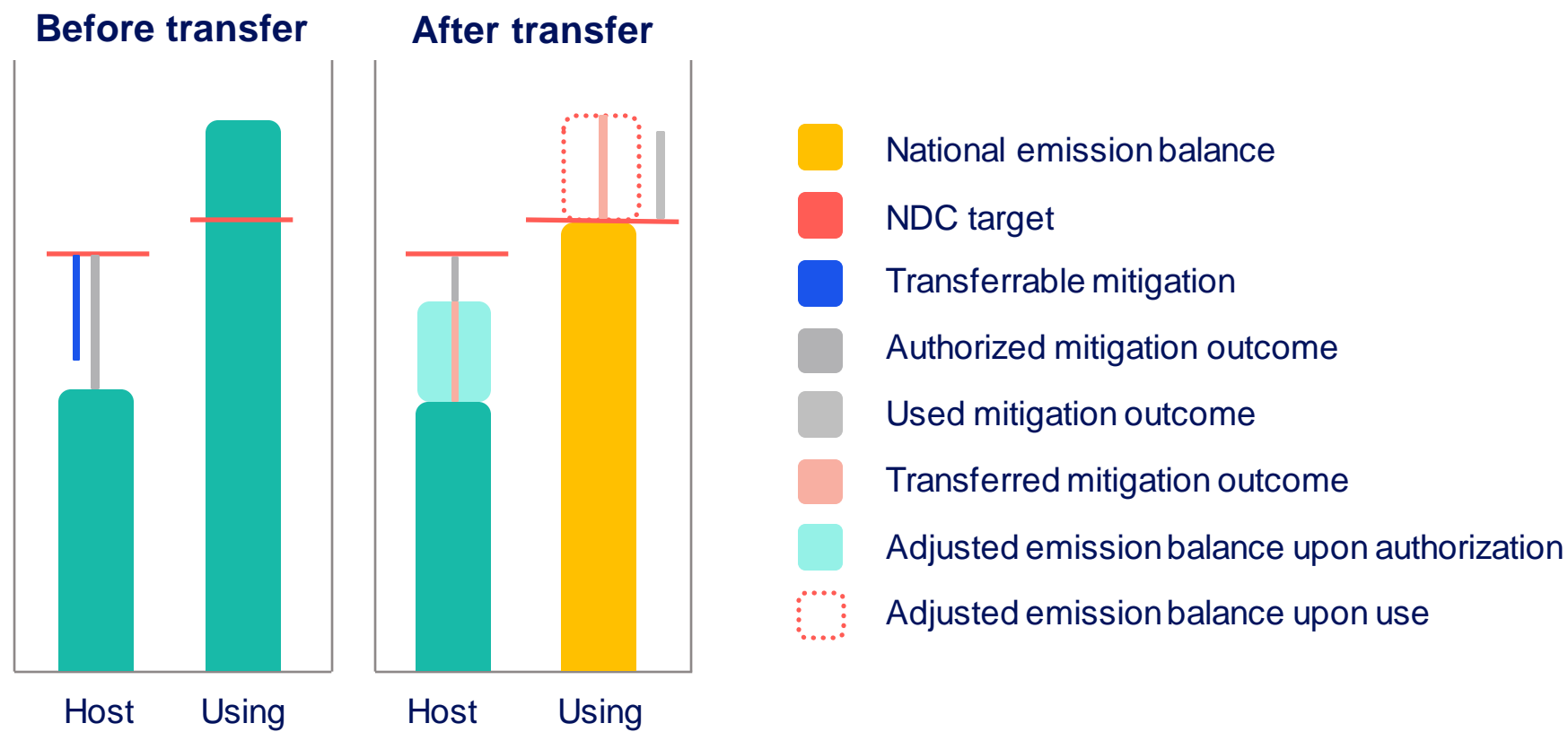
Provided
National
Inventory
Report

Contribute to NDC
implementation, low-
emission
development
strategy, long-term
goals of Paris
Agreement

6.2 FIRST TRANSFER.



6.2 CORRESPONDING ADJUSTMENTS.



6.2 REPORTING.

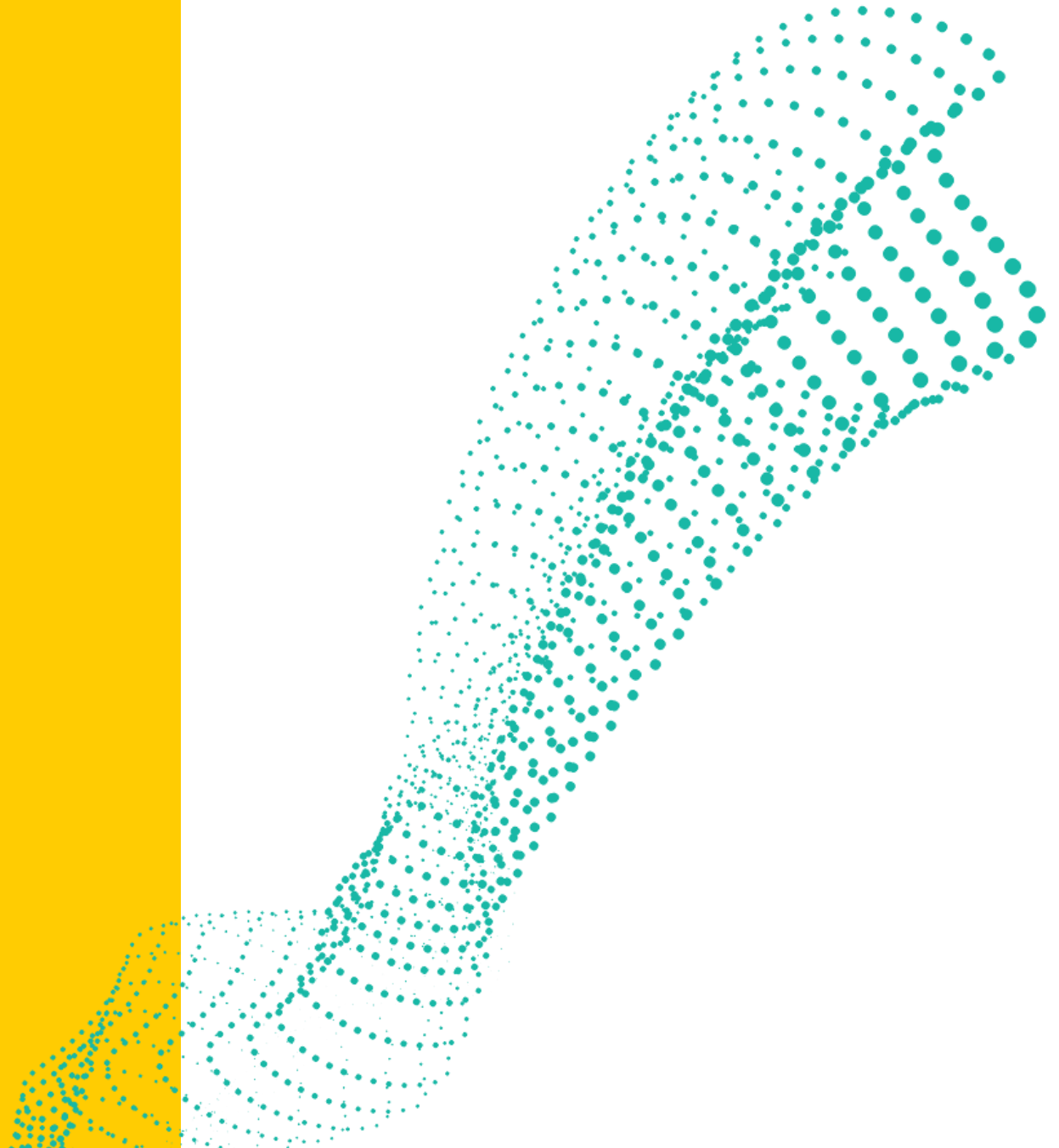
ARTICLE 6 REPORTING

- Initial report
- Annual information
- Regular information

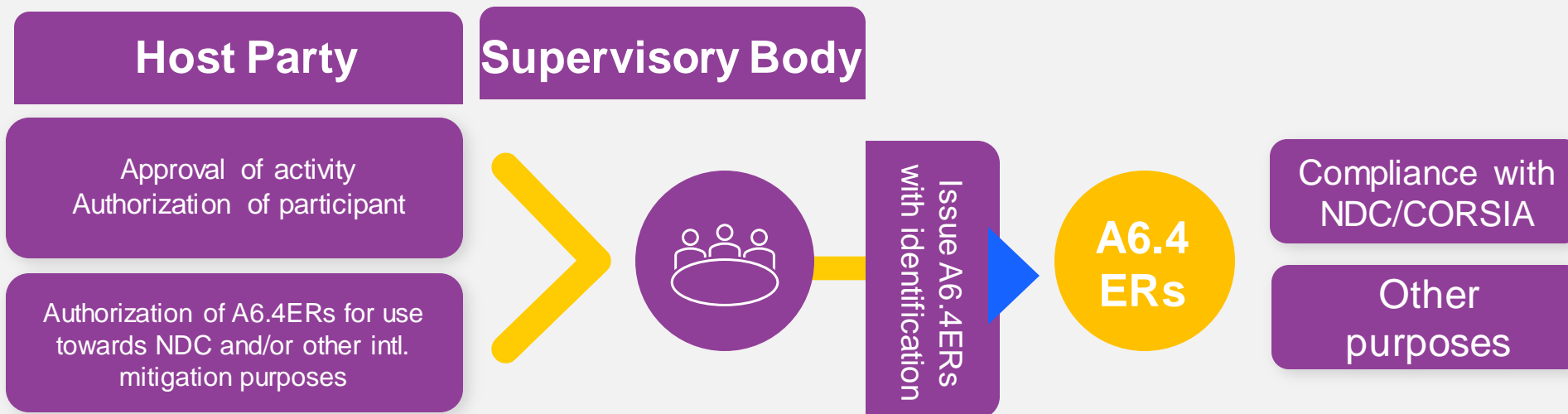
- Review of Article 6 reporting
 - Review report
- Recording system
 - Registry
 - Article 6 database consistency check
 - Centralized Accounting and Reporting Platform (CARP)

3

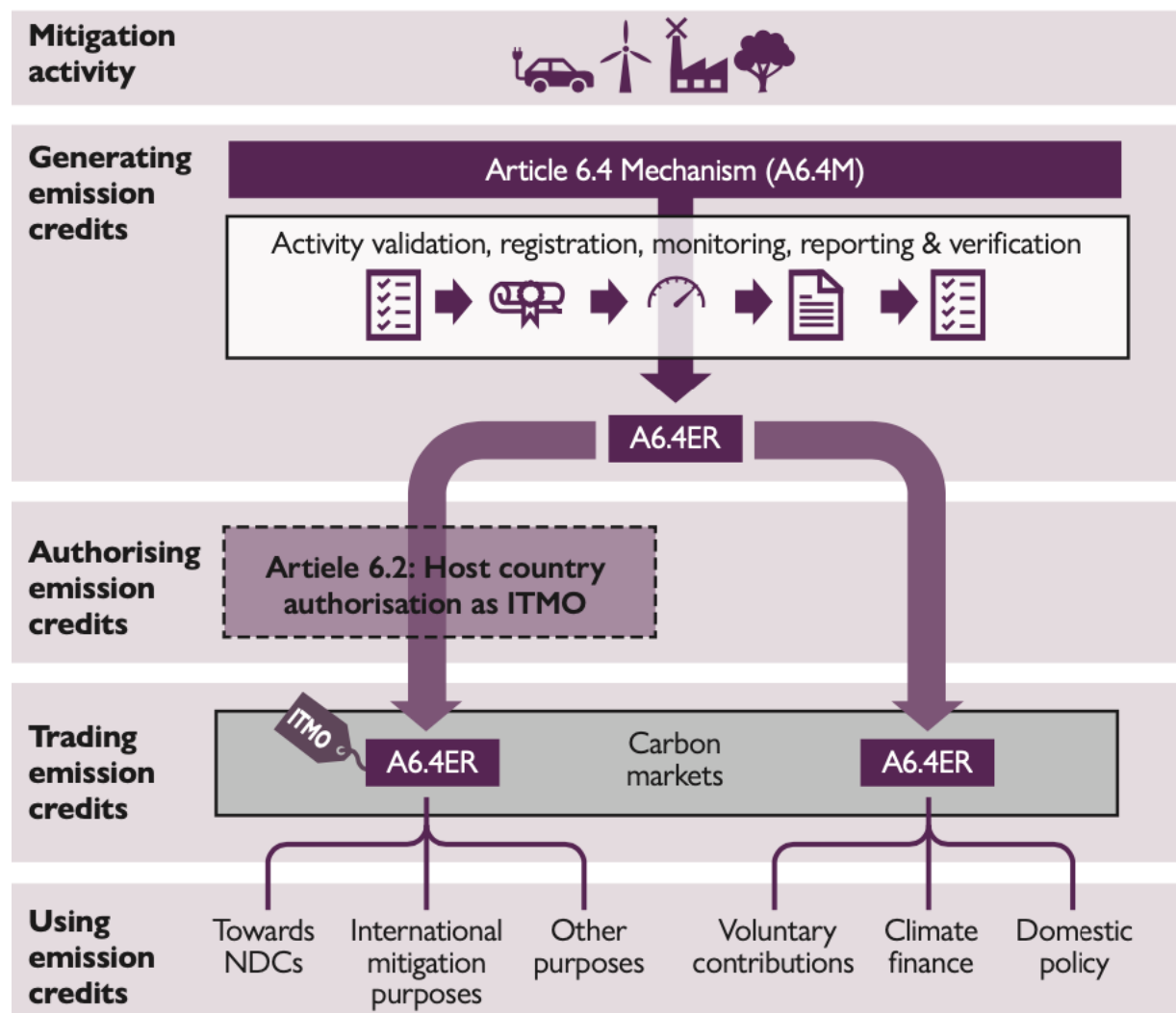
ARTICLE 6.4.



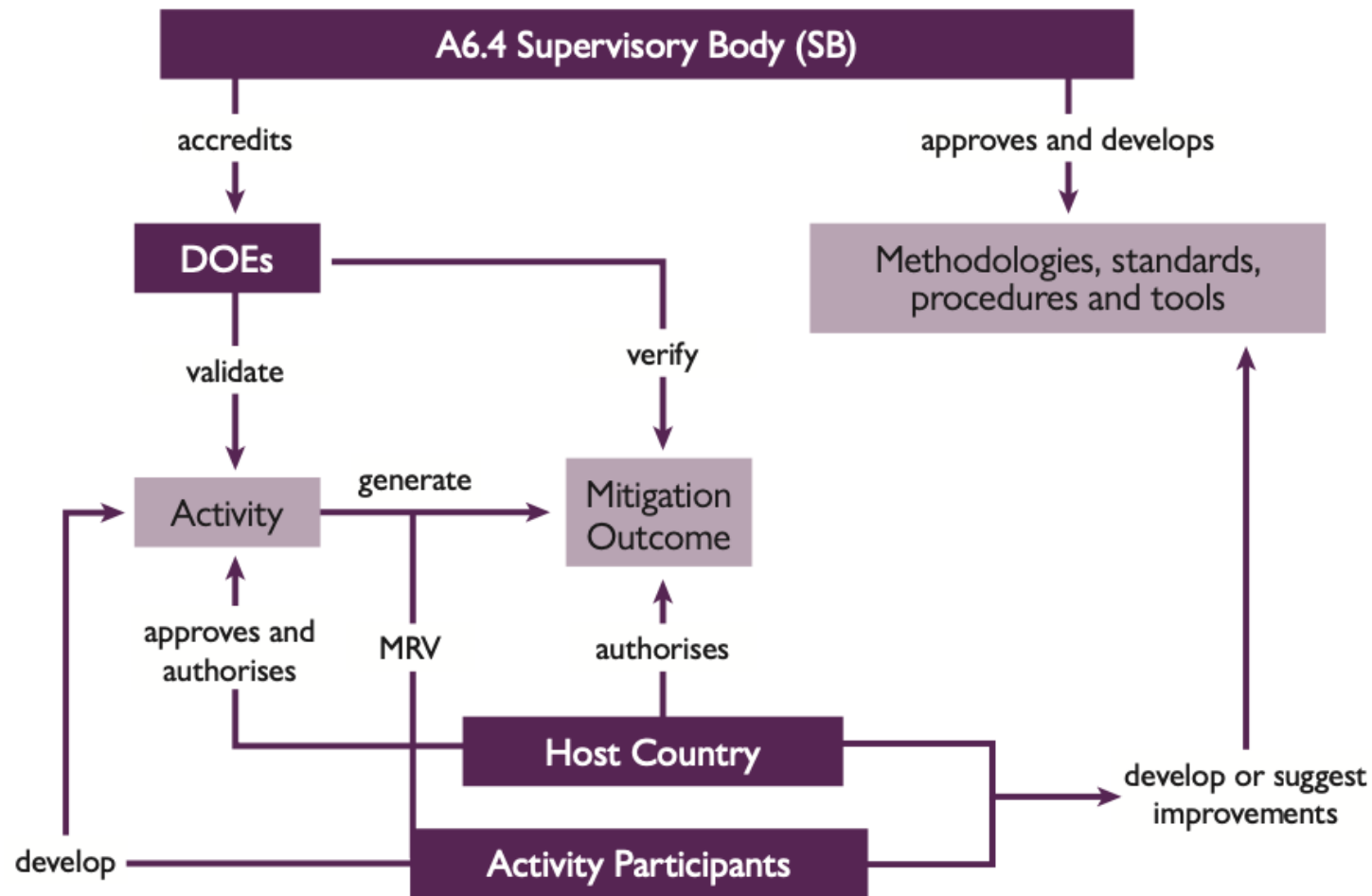
6.4 MAIN CONCEPTS.



6.4 STRUCTURE.



6.4 SUPERVISORY BODY.



6.4 MAIN CONCEPTS.

Participation
responsibilities

Activity
design

Methodologies
(including
baseline and
additionality)

Approval
of activity

Authorization of:

- Activity participant
- Use of A6.4 Emission Reductions (ERs)

FURTHER WORK.

6.2

Special circumstances of LDCs and SIDS

Action to be taken when inconsistencies are identified

How a Party should respond

Guidance on corresponding adjustments

Whether ITMOs could include emission avoidance

Sequencing and timing of reports

Process of authorization

Application of first transfer

Common nomenclature

6.4

Special circumstances of LDCs and SIDS

Further responsibilities of SB and host Parties to elaborate on and apply national arrangements

Emission avoidance and conservation of enhancement activities

Connection mechanism registry and international registry and other registries

Statement by host Party to the SB

Removals

CDM transition

EARLY ADOPTERS.

Switzerland
(Initial Report)

Senegal
(Article 6
strategy)

Ghana
(Carbon market
office - Article 6
framework and
ITMO authorization)

Thailand

Singapore



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra



ระบบทะเบียนคาร์บอนเครดิต
Thailand Carbon Credit Registry

NCCS
NATIONAL CLIMATE CHANGE SECRETARIAT
SINGAPORE

STRATEGY GROUP
PRIME MINISTER'S
OFFICE

Poll

NEEDS ASSESSMENT.

What is needed in your country?

- a. Capacity building to fulfil reporting and participation requirements
- b. Enhance understanding on Article 6 mechanisms
- c. Identify different climate finance options
- d. Strengthen institutional arrangements
- e. Other

II. REDD+: challenges and opportunities

Market and non-market carbon pricing mechanisms,
including Article 6 of the Paris Agreement

In this section

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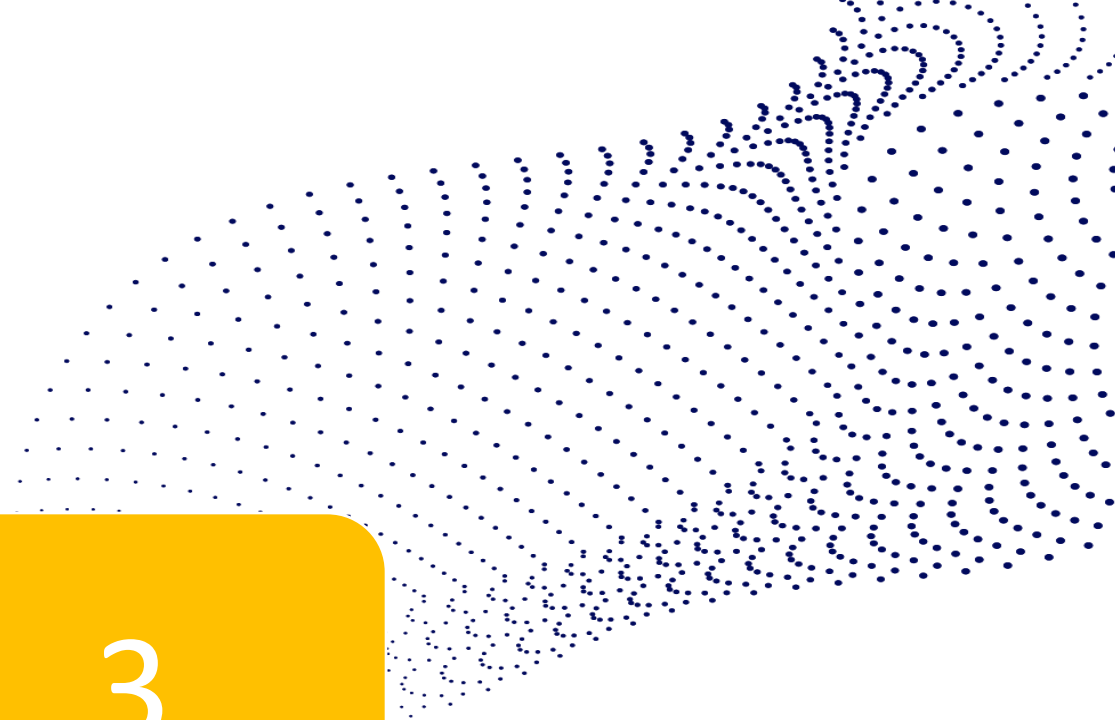
Background and
rules

2

REDD+

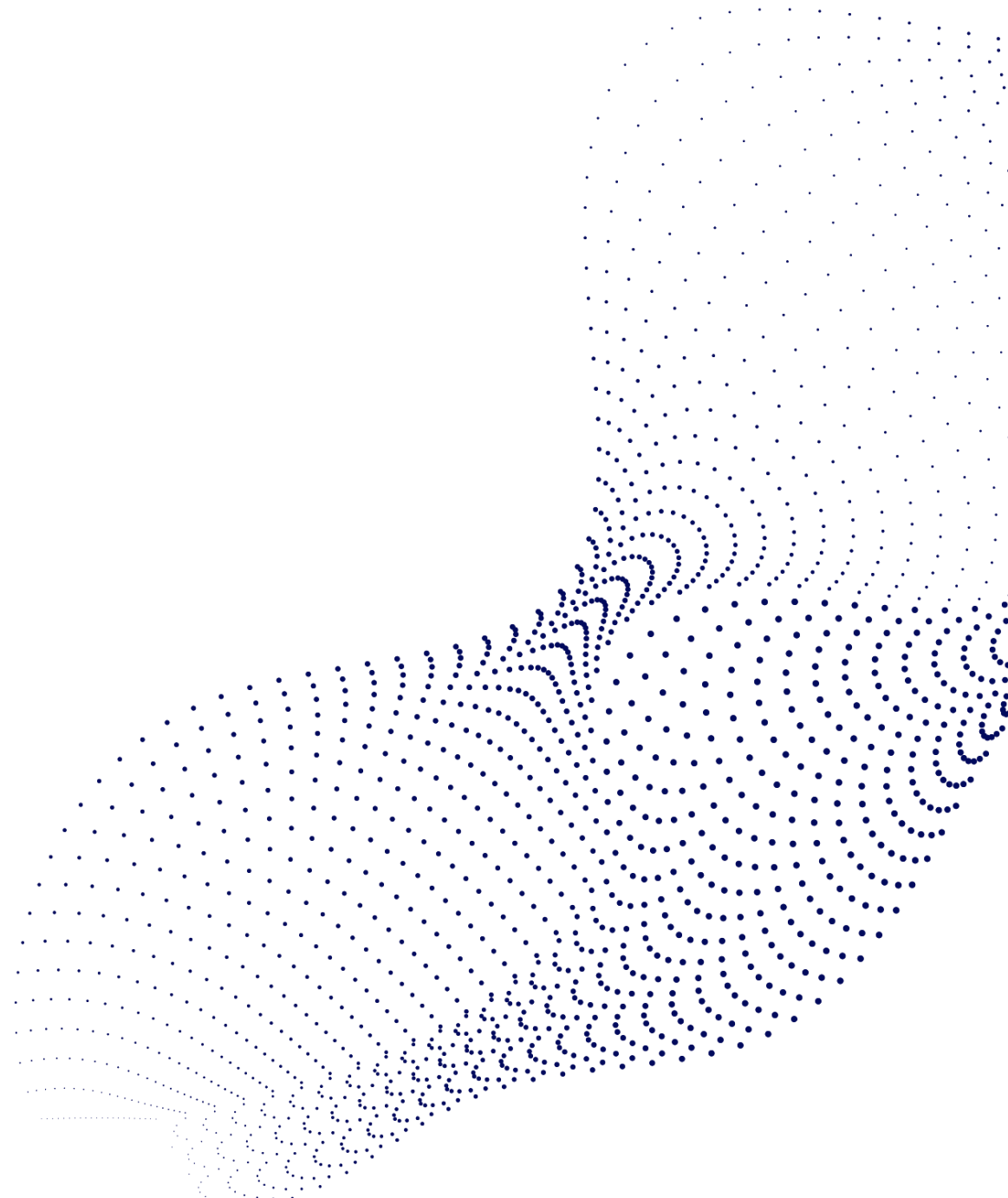
3

Financing options



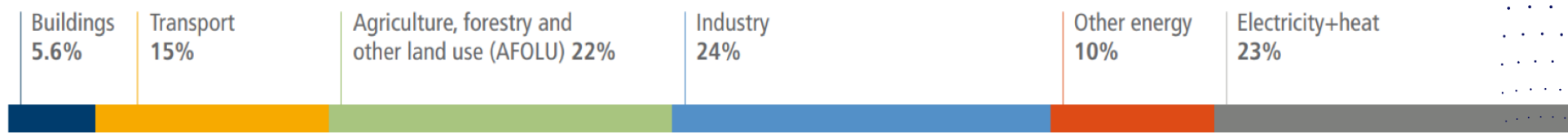
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BACKGROUND AND RULES.

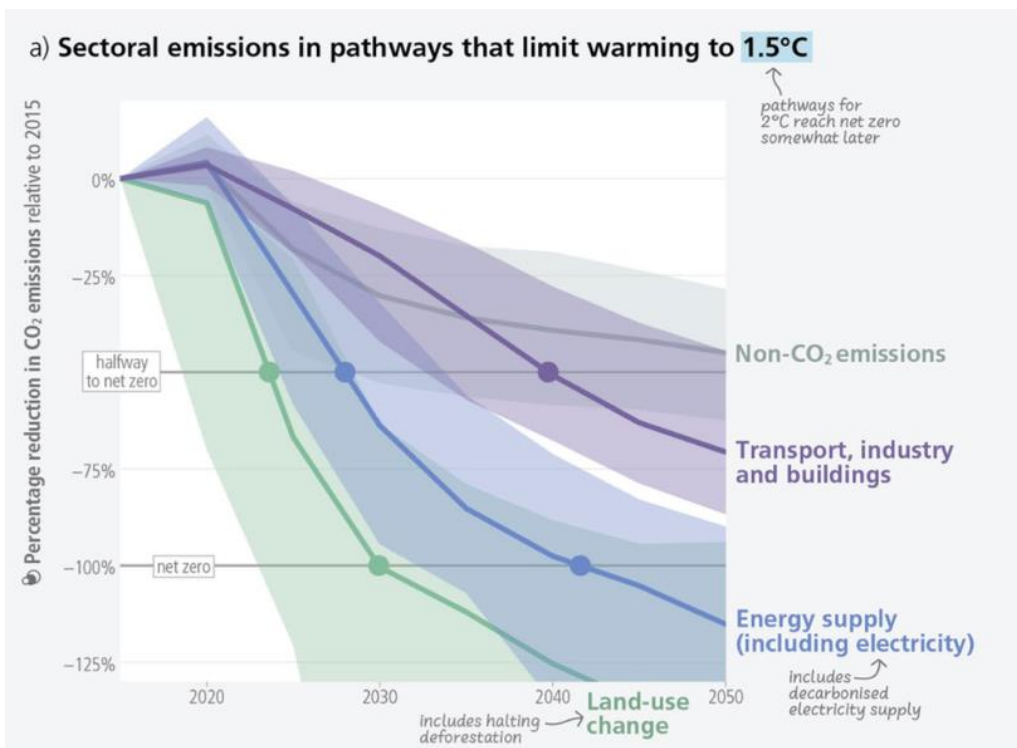


BACKGROUND.

Direct emissions by sector (59 GtCO₂-eq)



Source: IPCC 2023

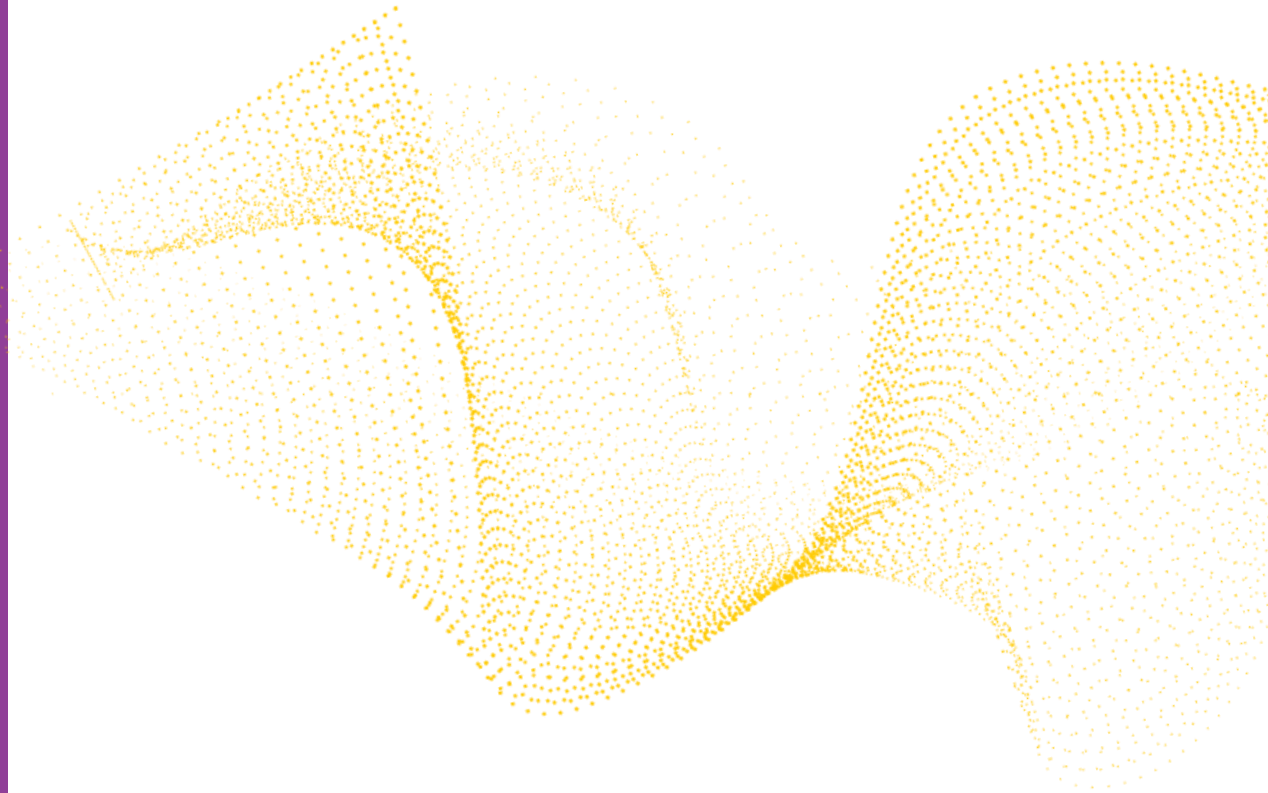


Land use
and 1.5°C
goal

Transition towards net zero will have different pace across different actors.

2

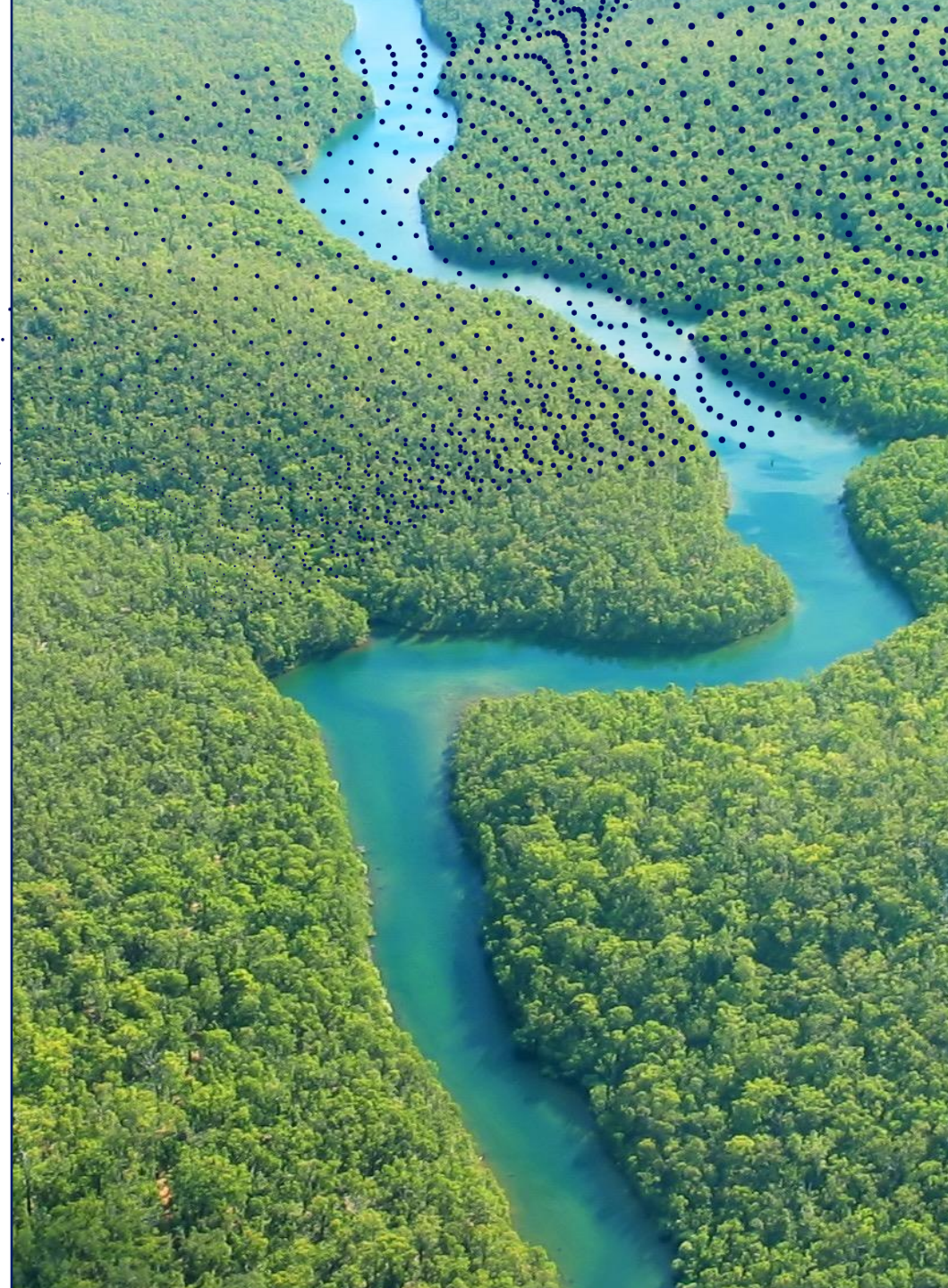
REDD+.



ARTICLE 5.

Reduced emissions from
deforestation and forest
degradation + conservation,
sustainable management of forests
and enhancement of forest carbon
stocks in developing countries.

REDD+



ROAD to REDD+ results: key REQUIREMENTS.

NATIONAL
strategy or
action plan

NATIONAL
forest
reference
emission level
and/or forest
reference level

NATIONAL
forest
monitoring
system

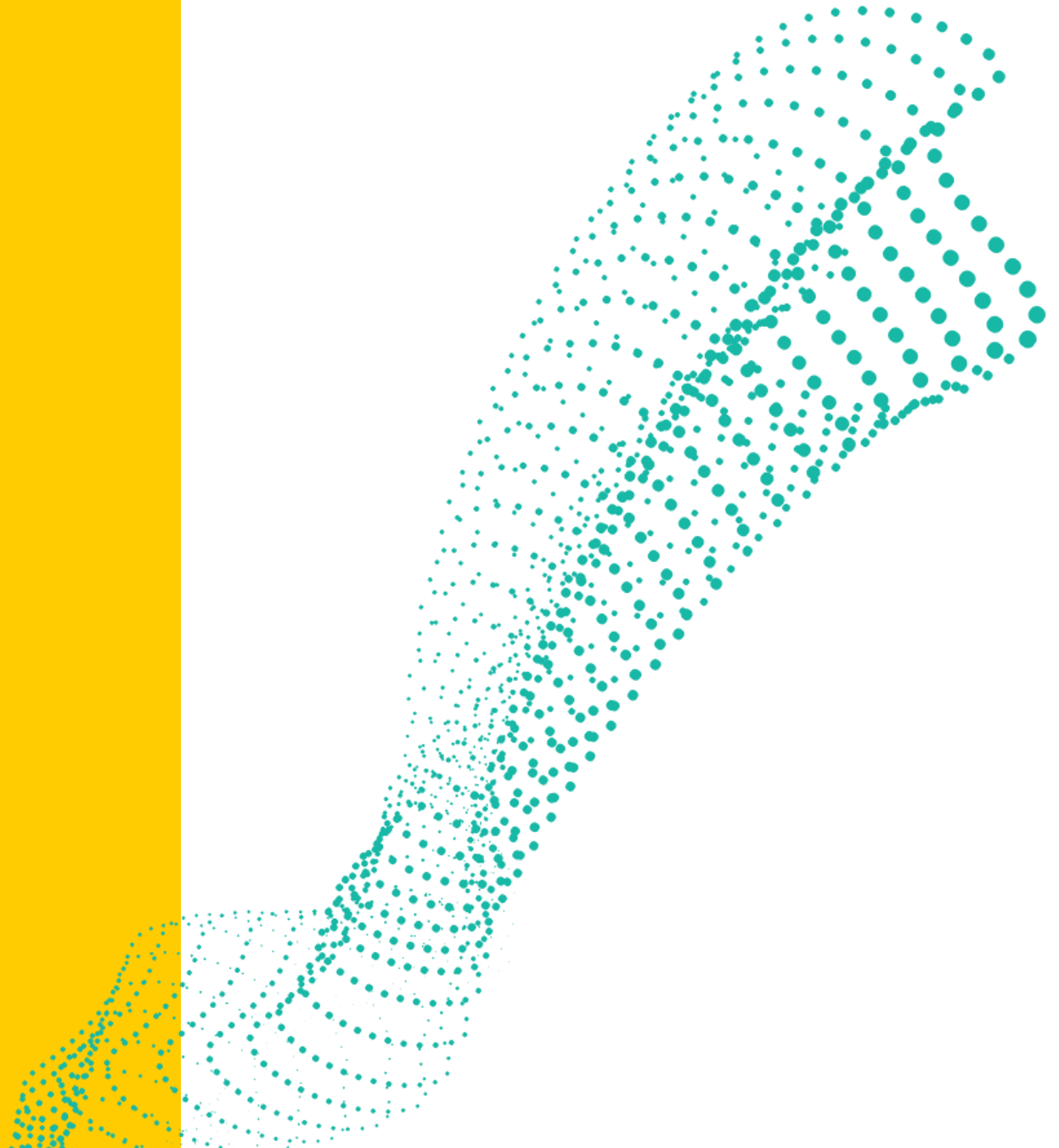
SAFEGUARDS
information
systems

REDD+ IMPLEMENTATION.

Scale	Benefits	Challenges/risks
National level	Policy decisions leading to more permanent and systemic change	Low capacity to enforce laws and policies in territories
	Integration with NDC	Impact low if government not committed
	Potential for leakage lower	Skepticism to transacting with national governments
	Standardised approach towards baselines	Implementation more complex
Subnational level	Policy decisions leading to more permanent and systemic change	Skepticism to transacting with national governments
	Potential for leakage lower than project level implementation	Potential leakage higher than national level implementation
	If no national strategy, accounting and crediting can be at least implemented at subnational level	Monitoring costs higher
Project level	Less complex and more responsive to local needs	Potential for leakage highest
	Risks for investors smaller and more controllable	No systemic change
	Access to carbon market finance easier	Risk of double counting
	If no national strategy, accounting and crediting can be at least implemented at subnational level	MRV and transaction costs higher

3

FINANCING OPTIONS



FINANCE FOR REDD+.

REDD+ WEB PLATFORM

[HOME](#)[FACT SHEETS](#)[SUBMISSIONS](#)[INFO HUB](#)[FORUM](#)[MEETINGS](#)[CONTACT](#)

Country	Date (Year)	Results (t CO ₂ eq/year)	Assessed forest reference level (t CO ₂ eq/year)	Quantities for which payments were received (t CO ₂ eq/year)	Entity paying for results	Links to documentation
Argentina	2014	44,409,046	101,141,848	18,731,707 (period 2014-2016)	Green Climate Fund (funding proposal)	FCCC/SBI/ICA/2020/TATR.1/ARG Biennial update report with submission of REDD+ results (BUR 3)
	2015	59,006,338	101,141,848	-	-	FCCC/TAR/2019/ARG Submission on proposed reference level
	2016	61,757,321	101,141,848	-	-	Modified submission on proposed reference level Safeguards information summary National REDD+ Strategy REDD+ Info Hub Argentina

16 billion tons REDD+ results generated so far

Pre-2020 results excluded

Poll

TEST YOUR
KNOWLEDGE.

Payments for REDD+
will follow
automatically after
submission of results?

- a. Yes
- b. No
- c. It's complicated

FINANCE FOR REDD+.

MARKET

Carbon credits sold are to corporation in domestic compliance market or international voluntary carbon market.

CORSIA approved certain standards (ART Trees)

Voluntary market wider range of standards for forestry

NON-MARKET

Finance coming from agreement between countries (bilateral agreement such as Norway-Gabon).

Forest Carbon Partnership Facility with Emission Reductions Payment Agreements.

Green Climate Fund with REDD+ Results-based Payments Pilot.

Public finance not sufficient.

Pre 2021 (vintage) REDD+ results.

Voluntary market standards retirements covering 0.5-0.8% of global greenhouse gas emissions annually.

QUESTIONS



THANK YOU.

ndcfacility@dai.com

EU **NDC**
FACILITY



Financé par l'Union européenne.