

Role of Carbon Markets in achieving NDCs under the Paris Agreement

Kishan Kumarsingh

Article 6 – Paris Agreement

- Broadly: Article 6 is about using cooperative approaches to enhance ambition and promote sustainable development and environmental integrity in the implementation of nationally determined contributions
- Also includes a mechanism for non-market approaches

Article 6 – Paris Agreement

- Two main themes:
 - Cooperative approaches
 - Mechanism to contribute to mitigation and support sustainable development

.....in aid of achieving NDCs

Article 6 – Cooperative Approaches

- Paragraph 2:

- Internationally Transferred Mitigation Outcomes (**ITMOs**)

- Used by Parties towards NDCs
- **Voluntary** basis
- **Promote sustainable development** and ensure **environmental integrity** and transparency, including in governance
- Robust accounting to ensure **avoidance of double counting**
- Consistent with **guidance adopted by CMA** (under negotiation currently Subsidiary Body for Scientific and Technological Advice (SBSTA))

Article 6 – The Mechanism

- Article 6, paragraph 4 - Sustainable Development Mechanism (SDM)
 - To **contribute to mitigation** and **support sustainable development**
 - Voluntary
 - **Supervised by body designated by CMA** and under **guidance and authority of CMA**
 - Aims:
 - Promote **mitigation** while fostering sustainable development
 - **Incentivize and facilitate participation by public and private entities authorized by the Party**
 - Contribute to emissions reductions in host Party, that can be used by another Party to fulfil its NDC
 - Deliver **overall mitigation**

Article 6 – The Mechanism

- Article 6, paragraphs 5,6,7

- No double use - **shall not be used to demonstrate achievement of the host Party's nationally determined contribution if used by another Party to demonstrate achievement of its nationally determined contribution**

- Share of proceeds - used to cover administrative expenses as well as to assist developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation

- Rules, modalities and procedures for the mechanism to be adopted (**under negotiation**)

Article 6 – The Mechanism

- Decision 1/CP.21, paragraph 37
 - Recommends adoption of rules, modalities and procedures on basis of:
 - **Voluntary participation authorized** by each Party involved
 - Real, **measureable**, and long term benefits related to mitigation
 - Specific scopes of activities
 - Reductions that are **additional to any that would otherwise occur**
 - **Verification and certification of emission reductions** by DOEs (designated operational entities)
 - Experience gained with and lessons learned from existing mechanisms under the Convention and related legal instruments

Thank you for your eyes
and ears!