

VIEWS OF BRAZIL ON THE GUIDANCE REFERRED TO IN ARTICLE 6, PARAGRAPH 2, OF THE PARIS AGREEMENT

1. The Government of Brazil welcomes the opportunity to submit views on the guidance referred to in Article 6, paragraph 2, of the Paris Agreement, “inter alia, on the content of the guidance, including the structure and areas, issues and elements to be addressed, including those raised by Parties at SBSTA 46”, as set out in document FCCC/SBSTA/2017/L.15. The present submission should be read in conjunction with previous Brazilian submissions on this issue¹.

2. Brazil reiterates its understanding that the guidance under Article 6, paragraph 2, must provide for a robust multilateral accounting framework under the Paris Agreement, for the multilateral use of internationally transferred mitigation outcomes towards nationally determined contributions (NDCs). International transfers of mitigation outcomes should be multilaterally accounted for in case they are used towards NDCs. To this extent, the 6.2 guidance must encompass rules and infrastructure for (i) generating, (ii) transferring and (iii) accounting in relation to tradable units multilaterally.

3. Brazil views the guidance under 6.2 as covering **accounting rules and requirements for international transfers**, including with respect to governance and to the demonstration of capacity to account for national emissions and tradable units. From the Brazilian perspective, the 6.2 guidance would consist of an **additional “layer” for the implementation of transparency commitments under Article 13 and for NDCs accounting under Article 4.13** of the Paris Agreement. Such a layer is to be applicable only to those Parties that voluntarily choose to engage in international transfers of mitigations outcomes towards NDCs. In parallel, this layer may also serve as input for the processes under Articles 4.13 and 13.

4. The guidance under paragraph 2 of Article 6 must be consistent with the legal text of the Paris Agreement, that is to say, it must necessarily “ensure environmental integrity and transparency, including in governance, and [the proper application of] robust accounting to ensure, inter alia, the avoidance of double counting”. To this end, the 6.2 guidance should reflect the following structure and include the following elements:

- (i) Participation requirements
- (ii) National systems
- (iii) National registries
 - a. issuance account
 - b. holding account
 - c. transfer account
 - d. acquisition account

¹ http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/525_317_13135441947778493-BRAZIL%20-%20Article%206.2.%20SBSTA46%20May%202017.%20FINAL.pdf
http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/525_262_131198656223045434-BRAZIL%20-%20Article%206.2%20final.pdf

- e. cancellation account
- f. retirement account
- g. share of proceeds account
- (iv) Multilateral registry
 - a. national accounts
 - i. issuance, holding, transfer, acquisition, cancellation, retirement and share of proceeds
- (v) International transaction log
- (vi) Quantification of NDCs permitted emissions
 - a. common metrics
- (vii) Calculation report of NDCs permitted emissions
- (viii) Technical Expert Review of the calculation report
- (ix) Issuance of NDCs permitted emission units
- (x) Compulsory limitation of tradable units
 - a. minimum level of permitted emission units within NDC timeframe reserve
 - b. permitted emissions units to be exclusively used for retirement or cancellation purposes
- (xi) International transfers between national accounts
 - a. additions to, and subtractions from, NDCs permitted emissions
 - b. certified emission reductions (CERs) under the clean development mechanism (CDM) of the Kyoto Protocol
 - c. certified emission reductions (CERs) under the mechanism under Article 6, paragraph 4, of the Paris Agreement
- (xii) Publicly accessible information
- (xiii) Report upon expiration of the additional period for tracking progress made in implementing and achieving NDCs
- (xiv) Compilation and accounting database for tracking progress made in implementing and achieving NDCs
- (xv) Compilation and accounting reports.