



RESPONSES TO THE SBSTA CHAIR GUIDE QUESTIONS FOR THE CONSULTATIONS ON ARTICLE 6 OF THE PARIS AGREEMENT

Submission by the Philippines

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1. **For delivery of share of proceeds for adaptation to the Adaptation Fund from the mechanism, should we refine the approach used for the CDM per the third Presidency text at CoP 25, and if so, are there other approaches that may work more effectively?**
 - The integrity of the results of all the Article 6 mechanisms and more importantly, their collective contribution to attaining the ultimate outcome of a stabilized climate system for this planet, should be the ultimate goal all country Parties should strive for. As most of us have been stressing time and again, environmental integrity should underpin all greenhouse gas mitigation actions, wherever they are undertaken.
 - On the flip side, we should be mindful of the fact that the unabated climate change impacts are happening and incurring costs for all countries, including the developing ones which could barely defray these costs. In fact, our sense is that, adaptation costs, including residual loss and damage from climate change impacts, far outweigh the GHG mitigation costs.
 - It is also a known fact that aside from the financial resources flowing through such operating entities as the Green Climate Fund and the Adaptation Fund, there are no predictable funding for the adaptation needs of developing countries. Unlike GHG mitigation projects, the return on investment and income stream are relatively easy to establish, adaptation actions' direct benefits are not easily quantified. How are we to uniformly quantify loss of lives?
 - So to respond the question directly, 2% of proceeds when we applied the levy under the Clean Development Mechanism of the Kyoto Protocol is quite insignificant. In fact, it can barely pay for the administration of the Adaptation Fund. If our overall goal is to make this planet habitable especially for people, everything that we do to address the cause should correspondingly consider the impacts. If we are ready to provide money for GHG investments, certainly, we should allocate a corresponding fair allocation for addressing the potential effects.
 - Our sense is that all proceeds from the market approaches under Article 6 should be subject to levy, the amounts of which can certainly be discussed further.



2. In relation to cooperative approaches, what could be the design that could recognize that cooperative approaches will not necessarily lead to transferable units? What degree of encouragement/ requirement and transparency?

- The main issue is that cooperative approaches will be primarily bilateral. The terms of the cooperation will be voluntarily determined by what each Party wants. Hence, whether it will be in the form of an equitable/fair sharing of the mitigation outcome(s) and/ or an attribution against the delivery on the Means of Implementation which will be recorded and reported under the transparency rules and modalities of the Paris Agreement, what is most important is the integrity of the applied Mathematics and reporting.