



ALLIANCE OF SMALL ISLAND STATES

SUBMISSION

TOPIC: ARTICLE 6 OF THE PARIS AGREEMENT (MARKETS & NON-MARKET APPROACHES) – ENSURING RAPID OPERATIONALIZATION (ARTICLES 6.2, 6.4 AND 6.8)

JUNE 2021

MANDATE

SBSTA Plan for 2021: Chair of the Subsidiary Body for Scientific and Technological Advice ('SBSTA') extended an invitation on 18th March 2021 for submissions on 'Ensuring rapid operationalization (Articles 6.2, 6.4 and 6.8)' in advance of the informal technical expert dialogues on this same subject.

Antigua and Barbuda on behalf of the Alliance of Small Island States ('AOSIS') welcomes the opportunity to present views in response to the invitation extended by the Chair of the SBSTA, relating to 'Ensuring rapid operationalization (Articles 6.2, 6.4 and 6.8)' and to the guiding questions presented as follows:

6.2: How could Parties advance work on the outlines for reporting and review guidelines for the technical expert review so that they are available in 2022? How could infrastructure development and operationalization be accelerated?

- **The best way to ensure that reporting and review guidelines are available in 2022 is to adopt the full set of Article 6.2 and 6.4 rules as a package in Glasgow in 2021.** Reporting and review guidelines are only one part of what is needed under Article 6.2 guidance and the Article 6 package. Before we finalize reporting and review guidelines needed for Article 6 reporting, we will need to have agreement on the underlying substantive rules.
- **For this to happen, key substantive provisions still need to be agreed and put in place at a sufficient level of detail through Article 6.2 guidance**, including on:
 - corresponding adjustments and accounting for Article 6 – what needs to be accounted, how and when;
 - recording and tracking requirements and infrastructure to ensure transparency – registries, the international registry, CARP, and Article 6 database;
 - reporting and review – initial reports, annual reporting, biennial reporting;
 - ambition in mitigation and adaptation actions - application of SOP linked to non-6.4 transfers (level of SOP, process, reporting) and application of Article 6.4 OMGE linked to non-6.4 transfers (level of OMGE, process, reporting).



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- **Important provisions of Article 6.4 that bear upon Article 6.2 implementation also need to be agreed.** These include the percentage for cancellation to deliver an overall mitigation in global emissions (OMGE) and the percentage for set asides for financing for adaptation / share of proceeds.
- To ensure the rapid operationalization of Article 6.2, there are also a number of areas in which **further clarity or detail** would be helpful to enable Parties to engage, or where more detail is needed to plug gaps. These include, among others:
 - **Timing of initial reports** - for the rapid operationalization of Article 6.2, it will be important to have initial reports containing **information from Parties on their contemplated cooperative approaches and transfers at the earliest possible date.** More clarity and guidance will be helpful for Parties interested in participating in cooperative approaches. Parties that want to participate in Article 6 cooperative approaches have an interest in demonstrating that they meet participation responsibilities at the earliest opportunity and in having this acknowledged. Providing a clear timeline for initial reports and for their review, for example in decision text, will be helpful to these Parties and also helpful in targeting capacity building support.
 - **Accounting consistently throughout the period of NDC implementation** –more detail or clarity may be needed on how agreed accounting approaches operate, to avoid slowing Parties down in presenting their initial reports.
 - **Treatment of SOP and OMGE in cooperative approaches** - it will be helpful if Parties' initial reports provide, together with descriptions of each Article 6.2 cooperative approach, relevant information on the treatment of OMGE and SOP in connection with each approach.
 - **'Further cooperative approaches'** – it will be helpful to have clarity on when information needs to be presented on further cooperative approaches that were not detailed in initial reports – this information should come in as soon as it is available, rather than waiting for the submission of biennial transparency reports (BTRs).
 - **Annual information in connection with SOP and OMGE elements** – while this information will be important for reflection in BTRs, it will also be needed on an annual basis for cooperative approaches and should be reported to the Article 6 accounting database for transparency and to enable the information to be used in support of reporting and review processes.
 - **Capacity building** - capacity building opportunities will also help Parties familiarize themselves with the elements of Article 6 participation, in particular in connection with participation responsibilities and initial reports.
- The COP Presidency's proposed texts identify areas of work related to reporting, review and infrastructure to be addressed for implementation, including:
 - outlines for the information required under section IV (**Reporting**) including the electronic format required under IV.B (**Annual Information**);
 - modalities, procedures and guidelines for the review referred to in section V (**Review**) in a manner that minimizes the burden on Parties and Secretariat;
 - modalities and procedures relating to **infrastructure**, including registries, the international registry, the Article 6 database and the centralized accounting and reporting platform ('CARP').



To advance work in these areas, the SBSTA Chair could **seek support from the Secretariat in the form of informal papers** that could assist discussions, drawing from the negotiating texts and applying any lessons learned from the Kyoto Protocol (e.g., in connection with SEF tables, the compilation and accounting process and reports and the international transactions log), with a view to facilitating the reporting and review process and easing the burden on Parties and the secretariat, and providing the greatest transparency possible.

6.4: How could the mechanism be started rapidly? What work could be undertaken by the Supervisory Body rather than the SBSTA in order to speed up operationalization and what would be the priorities for the Supervisory Body?

- **For the mechanism to start rapidly, core policy decisions that are essential for the functioning of the mechanism must be taken in Glasgow.** These policy decisions include:
 - Agreement on the cancellation rate for OMGE, which in AOSIS's view needs to consider the full range of rates set out in version 1 of the COP Presidency's text, including the more ambitious end (X/10/20/30) to ensure that Article 6.4 does indeed deliver a substantial overall mitigation in global emissions;
 - Agreement on the set aside rate for the share of proceeds for adaptation, which in AOSIS's view should reflect at least the 5% rate identified in version 1 of the COP Presidency's text, to deliver substantial resources for the Adaptation Fund;
 - Agreement on principles for baselines which need to be at a sufficient level of detail to guide the work of the Supervisory Body;
 - Agreement to establish the mechanism registry;
 - Agreement to establish the Supervisory Body, with a set of responsibilities.
- In areas where further work may be needed, for example, for systems to ensure environmental integrity in connection with permanence and displacement in the land sector, work programmes could be considered for establishment.
- **SBSTA can support the Supervisory Body in speeding up operationalization of Article 6.4 implementation by developing sufficiently detailed principles and guidance**, and by providing guidance to the Supervisory Body that helps it prioritize its work.
 - Some issues will require less direction from the SBSTA; other issues will require more direction. For example, the SB readily could be tasked to establish its rules of procedure, establish registration processes for new activities and establish accreditation processes and to work with the Secretariat on related issues.
 - **But principles would have to be well-evolved before any mandate is given to the Supervisory Body to develop methodologies.**
 - The speed with which the Supervisory Body can work will likely depend on the level of detail of the Article 6.4 guidance adopted by Parties.
- **Providing capacity building opportunities will also help speed up operationalization of the Article 6.4 mechanism.** Many countries, such as LDCs and SIDS, have not had much exposure to engagement in project-based mechanisms under the Kyoto Protocol



and would benefit from capacity building tailored to the new Paris Agreement context, in which all Parties have undertaken Nationally Determined Contributions.

6.8: What would be needed to ensure rapid implementation of work programme activities for non-market approaches? What could be the timelines under the work programme?

- The best way to ensure rapid operationalization of work programme activities for non-market approaches referred to in Article 6.8 is to kick off the work programme as soon as possible in 2022.
- This can be done by setting early timeframes for the submission of views on the focus areas of the work programme, views on the UNFCCC web-based platform for recording and exchanging information on non-market approaches, and views on the schedule for work programme activities.
- This first set of submissions should be invited no later than March 2022, to enable sufficient time for consideration and for technical work to be undertaken in advance of the subsequent session of SBSTA.

