



Climate Action Network Briefing

Climate Action Network (CAN) is the world's largest network of civil society organizations working together to promote government action to address the climate crisis, with more than 1300 members in over 120 countries. www.climatenetwork.org.

Linkages and recommendations for Parties on the Paris rulebook relating to Articles 4, 6, and 13 of the Paris Agreement

August 2018

With only a single technical session remaining before the COP24 negotiations at which the Paris implementing guidelines will be adopted, it is clear that the new mechanisms, frameworks and rules being negotiated in different rooms will need to be connected in order to ensure that the Paris Agreement provides the necessary tools for countries to meet their emission reduction objectives. While the Paris Agreement sets up a plethora of new or updated processes and mechanisms, it should be structured as one coherent package, rather than a set of isolated measures. Therefore, Parties will need to identify all the links between various articles of the Paris Agreement, and ensure that these are properly referenced in the Paris rulebook.

This CAN briefing will focus on the interlinkages between Articles 4, 6, and 13. It is therefore not meant as a definitive guide on interlinkages and should be read in conjunction with other resources providing guidance on connections between other areas of the Paris Agreement. The new flexible mechanisms set up under Article 6 must be inscribed within the Paris Agreement's overall transparency framework and be consistent with the definitions and objectives established under Article 4 of the Paris Agreement. In particular, Article 6 mechanisms should contribute to, rather than impede, the objectives laid out in Article 4, including those relating to the progression of ambition in Nationally Determined Contributions (NDCs) and the extension of NDC scope to economy wide objectives.

The table below summarises interlinkages CAN has identified between Articles 4, 6 and 13, at a paragraph level. We invite all negotiators to draw from it in order to inform their meeting on linkages on September 3 and throughout the rest of the week at the Bangkok Climate Change Conference (SB48-2 and APA 1-6).

Considering these passages in the Paris Agreement...

...Parties should, under these negotiation tracks, reflect the views, concepts, modalities, processes, and guidelines in the Paris implementing guidelines, written in the cells below.

SBSTA/12 (Article 6)

APA/3 (Article 4)

APA/5 (Article 13)

6.2 Parties shall, where engaging on a voluntary basis in cooperative approaches that involve the use of internationally transferred mitigation outcomes towards nationally determined contributions, promote sustainable development and ensure environmental integrity and transparency, including in governance, and shall apply robust accounting to ensure, inter alia, the avoidance of double counting, consistent with guidance adopted by the Conference of the Parties serving as the meeting of the Parties to this Agreement

SBSTA/12 (Article 6)

Article 4.4 encourages Parties to move towards economy-wide emission reduction or limitation targets. This supports the use of inventory-based accounting to ensure “robust accounting” for Article 6 Parties, distinct and additional to the requirement in Article 4.13 to “account for” NDCs.

In line with **Article 4**, Parties must provide information in their NDCs that demonstrates how the party meets eligibility requirements to participate in cooperative approaches (if they choose to participate) including:

- Information on how BAU was established for countries
- How targets are transformed into a multi-year trend for trading of ITMOs and the metrics used
- The host country attestation that transfers of ITMOs may leave the country
- Information on unit creation, transfer and use (the corresponding adjustment or use as climate finance by the host country)
- Information to clearly distinguish sectors and activities which are covered by a country’s NDC (i.e. determine the frontier between inside/outside scope)

Biennial transparency reports under **Article 13.4** should include information on creation, transfer and use of ITMOs

The **national inventory report** under **Article 13.7** should include all information on creation, use and transfer of ITMOs presented in the biennial reports

Matters relating to transparency and robust accounting, including the avoidance of double counting, should be consistent with the transparency framework established under **Article 13.1**

Flexibility as defined in **Article 13.1** and **Article 13.2** cannot relax the eligibility criteria for participation in **Article 6.2** (see Article 13 section).

Article 13.5 requires transparent tracking/reporting of emissions/removals under the transparency framework.

Decision 1/CP.21, para. 90 decides that Parties shall submit **Article 13** information no less frequently than every two years. **Para. 92** requests that **Article 13** rules, modalities and guidance take into account the need to ensure double counting is avoided and to ensure environmental integrity. To ensure environmental integrity, double counting

	SBSTA/12 (Article 6)	APA/3 (Article 4)	APA/5 (Article 13)
		<p>Article 4.13 supports robust accounting for transfers of ITMOs, with emphasis on the avoidance of double counting which is applicable to Article 6.2.</p> <p>Decision 1/CP.21, para. 36 requests SBSTA to develop and recommend inter alia guidance for avoiding double counting in Article 6.2 on the basis of a corresponding adjustment by Parties. ITMO transfers require corresponding adjustments, which are directly linked to accounting under Article 4.</p>	<p>must be avoided for transfers of ITMOS, through corresponding adjustments.</p>
<p>6.3 The use of internationally transferred mitigation outcomes to achieve nationally determined contributions under this Agreement shall be voluntary and authorized by participating Parties.</p>		<p>The voluntary participation in cooperative approaches is the flexibility mentioned in Article 13.1 and Article 13.2. Once parties choose to participate, certain NDC information requirements become mandatory.</p>	<p>Country authorization of emissions unit transfers should be reported and recorded under Article 13 before the use of an ITMO towards a mitigation effort is officially recognized/certified.</p>
<p>SBSTA/12 (Article 6)</p> <p>6.4 A mechanism to contribute to the mitigation of greenhouse gas emissions and support sustainable development is hereby established under the authority and guidance of the Conference of the Parties serving as the meeting of the Parties to this Agreement for use by Parties on a voluntary basis. It shall be supervised by a body designated by the Conference of the Parties serving as the meeting of the Parties to this Agreement, and shall aim:</p> <p>(a) To promote the mitigation of greenhouse gas emissions while fostering sustainable development; (b) To incentivize and facilitate</p>		<p>In line with Article 4.8, for both Article 6.2 and Article 6.4 Parties must provide information in their NDCs that demonstrates how the party meets eligibility requirements to participate in the mechanism (see above section on Article 6.2).</p> <p>Delivering overall mitigation through the Article 6.4 mechanism should not impede the progression of NDC ambition as laid out in Article 4.3 and Article 4.11. It should not set a negative incentive against the widening of NDC scope to cover all economic sectors as laid out in Article 4.4. Generally, it should not be a disincentive, or a substitute, to domestic mitigation action as laid out under Article 4.2.</p>	<p>Article 13.4 Biennial transparency reports should include information on creation, transfer and use of ITMOs and article 6.4 credits.</p> <p>Under Article 13.7, the national inventory report should include all information on creation, use and transfer of ITMOs/article 6.4 credits presented in the biennial reports.</p> <p>Under Article 13.5, reporting of transferred units is needed for the Transparency Framework to provide a clear understanding of climate change action in light of Article 2 of the convention.</p> <p>Following Articles 13.5, 13.7a and b, to provide a clear understanding of climate</p>

	SBSTA/12 (Article 6)	APA/3 (Article 4)	APA/5 (Article 13)
<p>participation in the mitigation of greenhouse gas emissions by public and private entities authorized by a Party; (c) To contribute to the reduction of emission levels in the host Party, which will benefit from mitigation activities resulting in emission reductions that can also be used by another Party to fulfil its nationally determined contribution; and (d) To deliver an overall mitigation in global emissions</p> <p>SBSTA/12 (Article 6)</p>		<p>Article 4.4's encouragement to move towards “economy-wide emission reduction or limitation targets” supports use of inventory-based accounting to ensure “robust accounting” for Article 6 Parties, distinct and additional to the requirement in Article 4.13 to “account for” NDCs.</p> <p>In line with Article 4.13, any transfer that assists a host Party to achieve its NDC (e.g. through use of received revenues to reduce host country emissions, or via achievement of a conditional NDC) would fall within the scope of Article 6.2 guidance and should conform with the rules on robust accounting defined under Article 4.13 (see above section on Article 6.2). Transferring units under the Article 6.4 mechanism requires inter alia robust accounting to avoid double counting and promote environmental integrity, in line with Article 4.13 rules.</p> <p>Decision 1/CP.21, para. 36 requests SBSTA to develop guidance to ensure that double counting is avoided on the basis of a corresponding adjustment by Parties for both sources and sinks covered by NDCs. Any units transferred originating from an NDC or for use towards another Party's NDC, will require a corresponding adjustment.</p>	<p>change action and to track progress made in implementing NDCs, Parties should apply robust accounting, including the application of corresponding adjustments, for all units transferred under Article 6.4.</p>

	SBSTA/12 (Article 6)	APA/3 (Article 4)	APA/5 (Article 13)
<p>SBSTA/12 (Article 6)</p> <p>6.8 Parties recognize the importance of integrated, holistic and balanced non-market approaches being available to Parties to assist in the implementation of their nationally determined contributions, in the context of sustainable development and poverty eradication, in a coordinated and effective manner, including through, inter alia, mitigation, adaptation, finance, technology transfer and capacity-building, as appropriate. These approaches shall aim to: (a) Promote mitigation and adaptation ambition; (b) Enhance public and private sector participation in the implementation of nationally determined contributions; and (c) Enable opportunities for coordination across instruments and relevant institutional arrangements.</p>			<p>Support provided by developed country Parties or other Parties providing support under Article 6.8--inter alia, through financial or technology transfers, and through capacity-building, should be reported in line with requirements under Article 13.9 and 13.10. In reporting these transfers, financial support provided under the Paris Agreement, inter alia under Article 6.8, should be clearly distinguished from financial support provided through other mechanisms, such as the Kigali Amendment to the Montreal Protocol.</p>
<p>APA/3 (Article 4)</p> <p>4.4 Developed country Parties should continue taking the lead by undertaking economywide absolute emission reduction targets. Developing country Parties should continue enhancing their mitigation efforts, and are encouraged to move over time towards economy-wide emission reduction or limitation targets in the light of different national circumstances.</p>	<p>Under Article 6.2 and Article 6.4, encouragement to move towards “economy-wide emission reduction or limitation targets” supports use of inventory-based accounting to ensure “robust accounting” for Article 6 Parties, distinct and additional to the requirement in Article 4.13 to “account for” NDCs. Parties should create an emissions account based on their inventory for transparent tracking and recording of emissions and removals, and when units are transferred under Article 6.2 or Article 6.4, a</p>		<p>Under Article 13.7, Parties should report comprehensively over time in line with the IPCC guidelines specified per Article 13.13.</p> <p>Linked to Article 13.5, Article 4.4 supports moving towards economy-wide emission reduction or limitation targets. To provide a clear understanding of climate change action, including on how Parties are moving towards economy-wide emissions reduction or limitation targets, Parties should create an account that allows for transparent recording of</p>

**APA/3
(Article 4)**

	SBSTA/12 (Article 6)	APA/3 (Article 4)	APA/5 (Article 13)
	corresponding adjustment should be made to this account.		emissions and removals, and any transfers of emission units or ITMOs.
4.8 In communicating their nationally determined contributions, all Parties shall provide the information necessary for clarity, transparency and understanding in accordance with decision 1/CP.21 and any relevant decisions of the Conference of the Parties serving as the meeting of the Parties to this Agreement.	Information communicated under this paragraph should include a clear distinction between activities and sectors which are inside or outside of a country's NDC and will be taken into account under Articles 6.2 and 6.4 . Any units used towards another Party's NDC or another objective outside of the UNFCCC process, will require a corresponding adjustment.		Article 13.7b and Article 13.12 Information necessary for CTU is necessary to track progress under Article 13 . Direct link between Article 4 and Article 13.5 , information to facilitate clarity, transparency and understanding supports the development of an emissions account based on the inventory required under Article 13.7a , to track the transferring of emission removals by sinks.
4.12 Nationally determined contributions communicated by Parties shall be recorded in a public registry maintained by the secretariat.			This public registry should support efforts to track progress under Article 13 .
4.13 Parties shall account for their nationally determined contributions. In accounting for anthropogenic emissions and removals corresponding to their nationally determined contributions, Parties shall promote environmental integrity, transparency, accuracy, completeness, comparability and consistency, and ensure the avoidance of double counting, in accordance with guidance adopted by the Conference of the Parties serving as the meeting of the Parties to this Agreement.	Accounting under this article should contribute to a clear, transparent, and accurate tracking of credits traded under Articles 6.4 and 6.2 , as well as those traded outside of the UNFCCC process, such as under CORSIA. Emissions and removals must be accounted for under Article 4.13 in a manner that ensures avoidance of double counting. Article 6.2 and Article 6.4 facilitate the transfers of emissions reductions and removals that may be used towards NDCs or towards other objectives outside of the UNFCCC process. Any units used towards another Party's NDC or another objective outside of the UNFCCC process, will require a corresponding adjustment. Robust accounting includes working to avoid double counting.		Accounting for NDCs should be in line with the transparency framework set up under Article 13.1 in order to allow tracking of progress. Direct link between Article 4 and Article 13.5 (see above). Decision 1/CP.21 para 36 requests SBSTA to develop and recommend guidance for Article 6.2 , including guidance to ensure that double counting is avoided on the basis of a corresponding adjustment by Parties for both emissions removals covered by their NDCs. Corresponding adjustments are required in light of Article 4.13 .

	SBSTA/12 (Article 6)	APA/3 (Article 4)	APA/5 (Article 13)
<p>13.1 In order to build mutual trust and confidence and to promote effective implementation, an enhanced transparency framework for action and support, with built-in flexibility which takes into account Parties' different capacities and builds upon collective experience is hereby established.</p>	<p>The transparency framework should facilitate the reporting and tracking under Articles 6.4 and Article 6.2, or outside of the UNFCCC process.</p> <p>Any units used towards another Party's NDC or another objective outside of the UNFCCC process, will require a corresponding adjustment.</p>	<p>The transparency framework should be consistent with the way parties account for their NDCs as set out in Article 4.13.</p>	
<p>13.2 The transparency framework shall provide flexibility in the implementation of the provisions of this Article to those developing country Parties that need it in the light of their capacities. The modalities, procedures and guidelines referred to in paragraph 13 of this Article shall reflect such flexibility.</p>	<p>Flexibilities in the implementation of the transparency framework should neither affect nor replace the eligibility criteria for participating in cooperative approaches under Article 6.2 or in the transfer of emission reduction credits under Article 6.4.</p>		
<p>13.5 The purpose of the framework for transparency of action is to provide a clear understanding of climate change action in the light of the objective of the Convention as set out in its Article 2, including clarity and tracking of progress towards achieving Parties' individual nationally determined contributions under Article 4, and Parties' adaptation actions under Article 7, including good practices, priorities, needs and gaps, to inform the global stocktake under Article 14.</p>	<p>Tracking of progress towards achieving NDCs as set out under this article should include a review of issuances, transfers, uses, and cancellations of credits under article 6.2 and 6.4 mechanisms.</p> <p>Article 13.5 supports transparent tracking and recording of all transfers, whether or not they are used within or outside the UNFCCC process. Article 13.5 supports an emissions account based on the inventory for recording of transfers and making corresponding adjustments for all transfers.</p>	<p>Under Article 4.8, Parties shall provide the information necessary for clarity, transparency and understanding.</p> <p>Decision 1/CP.21, para. 92 requests the APA to develop recommendations, inter alia reflecting the need to ensure that double counting is avoided, and the need to ensure environmental integrity. This creates a direct link with accounting under Article 4.13.</p>	

**APA/5
(Article 13)**

	SBSTA/12 (Article 6)	APA/3 (Article 4)	APA/5 (Article 13)
<p>APA/5 (Article 13)</p> <p>13.7 Each Party shall regularly provide the following information: (a) A national inventory report of anthropogenic emissions by sources and removals by sinks of greenhouse gases, prepared using good practice methodologies accepted by the Intergovernmental Panel on Climate Change and agreed upon by the Conference of the Parties serving as the meeting of the Parties to this Agreement; and (b) Information necessary to track progress made in implementing and achieving its nationally determined contribution under Article 4.</p>	<p>In providing information to track progress made towards NDCs, Parties should transparently record information about any and all Article 6 transfers since those units have implications for NDC implementation and achievement.</p> <p>Decision 1/CP.21, para. 36 requires corresponding adjustments to avoid double counting. An emissions account based on the inventory is necessary so that corresponding adjustments for transfers are transparently recorded and that progress towards NDCs can be tracked. Any units used towards another Party's NDC or another objective outside of the UNFCCC process, will require a corresponding adjustment.</p>	<p>Information communicated under Article 13.7(b) should be consistent with information communicated under article 4, inter alia on NDC scope and ambition, especially under Article 4.8.</p>	
	<p>The technical expert review may play a role in ensuring consistency with the guidance adopted.</p>	<p>Information necessary to track progress made in implementing and achieving of the NDC under Article 4 is subject to consideration under the technical expert review.</p>	