



## CLIMATE ACTION NETWORK

### **SBSTA - Matters relating to Article 6 of the Paris Agreement: Any other matters raised by Parties** Virtual 2021

June 2021

We'd like to start by thanking the Parties who openly supported non-state actors' participation during previous sessions.

On accounting, all credits should be subject to consistent and robust accounting rules, including the application of corresponding adjustments, as well as clear and transparent reporting in CO<sub>2</sub>e through the structured summaries to avoid any form of double-counting.

With regards to Article 6.4, no Kyoto Protocol units should be allowed to transition to the new mechanisms. Every single tonne carried over into the new system sets the Paris Agreement back by one more emission reduction, and this the world cannot afford. We also note that the default status of the CDM is that it no longer issues credits or registers projects post-2020, and we urge Parties to formally adopt this through a CMP decision.

We urge the Parties to take very seriously the emission and temperature impacts of any options for a so-called "opt-out period" from corresponding adjustments or carryover of Kyoto Protocol units. What may seem like a convenient political solution is trying to negotiate with atmospheric science, which we all know is non-negotiable, but is a quantifiable climate impact.

Instead, we can have both a stable market and uphold environmental integrity with a stringent review and transition of activities. Only verified financially vulnerable KP projects and PoAs potentially should be permitted to transition, and only following this re-assessment. In addition, Article 6 must deliver OMGE, through the adoption of an automatic partial cancellation rate, as well as deliver adaptation finance.

It is essential to articulate a mandate for the Supervisory Body to objectively assess baselines to determine that the methodology for additionality will only issue credits for reductions that would not have otherwise occurred. This means incorporating and elaborating on principles of setting the overall baseline below BAU, utilization of best available technology, implementation of best management practices, and dynamic updating for economic development and delivery of climate finance. These principles should objectively take into account what is actually available or feasible in a given country, but any so-called "menu approach" that allows a Party to subjectively project future emissions risks the same mistakes under the Kyoto Protocol where baselines did not deliver additional ambition.

Moving on, CAN also believes Article 6.8 can and should do more than just offering workshops and technical papers. While we support calls for avoiding duplication of institutions, we believe that the work programme should operationalize a concrete mechanism to facilitate matching of support - such as finance, technology, and capacity building - with the needs of participating Parties, to unlock opportunities for ambition.

All of Article 6 must respect, protect and promote Human Rights and the rights of Indigenous Peoples. And these rights cannot be traded off. This requires, inter alia, the establishment of a grievance mechanism governed by an independent body, and the adoption of rules to ensure participation and require local stakeholder consultations.

We look forward to continuing to engage with Parties on these topics, and would like to reiterate the importance of keeping sessions open in order to enable civil society and Indigenous Peoples to engage constructively and actively.

Thank you very much.