# COP28 Article 6.2 breakdown



#### What is it?

Article 6, paragraph 2 of the Paris Agreement establishes the option for "voluntary cooperative approaches" between Parties in implementing their Nationally Determined Contributions (NDCs) in the pursuit of higher ambition in mitigation and adaptation approaches. This can involve the transfer of emissions reduction units from one country (the host) to another country (the buyer) in order to contribute to the buyer's NDC. These carbon credits are known as internationally transferred mitigation outcomes (ITMOs).

Importantly, projects under A6.2 must not only facilitate emissions reductions, but also align with the United Nations' sustainable development objectives, including an assurance that projects promote human rights as an integral component, alongside environmental adaptation, restoration, and economic diversification. assurance that projects promote human rights as an integral co-benefit, alongside environmental adaptation and restoration, and economic diversification.

### How does it work?

The Article 6 "Rulebook" agreed upon at COP26 in Glasgow contains guidance around cooperative approaches and a number of safeguards to ensure transparency and accuracy of transactions under this mechanism. These include:

- Authorisation: ITMOs can only be transferred from a host Party to a buying Party's registry once authorisation from both Parties is granted.\*
- Corresponding Adjustments (CAs): When an ITMO is transferred towards a buying Party' NDC, the host Party must cancel the equivalent tonne of carbon dioxide (tCO2e) from their domestic registry, to ensure that the emissions reduction is not double counted.
- National Registries: Parties looking to engage in the A6.2 mechanism must establish a National Registry in which to record holdings and transactions under this mechanism.
- International Registry: For Parties unable to create or access a National Registry, the Secretariat will create and maintain an International Registry for the purpose of ensuring transparency of information regarding activities under A6.2.
- Article 6 Database: This database contains all records pertaining to projects under A6.2 including: project-level technical information,

- CAs, national emissions balances, information on ITMOs first transferred, acquired, held, cancelled, cancelled for overall mitigation in global emissions and/or use by participating Parties in the agreement.
- Centralised Accounting and Reporting Platform (CARP): The CARP is a public-facing platform for all projects registered under A6.2, increasing transparency of deals under A6.2, while also providing accountability across jurisdictions to prevent inaccurate counting and reporting. The CARP will house the International Registry and the Article 6 Database.



Dawul Wuru Aboriginal Corporation's Gavin Singleton (front) with Yirrganydji Land and Sea Rangers, who are restoring land with traditional practices through a blue carbon project in Qld, Australia.

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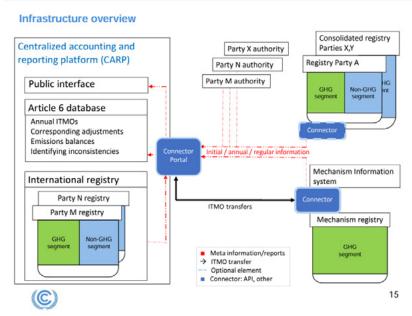


### Still on the table:

COP28 failed to deliver a consensus decision on key negotiating topics under A6.2, including authorisation processes and appropriate connections between the National Registries under 6.2 and the mechanism registry under Article 6.4 (see A.6.4 Fact Sheet for further details), where ITMOs contribute towards an NDC. Work will continue at the Bonn Intersessional meeting in 2024, where items in the work programme include:

- Guidelines on the designation of information as confidential: Parties continue to negotiate on how much information on a transaction may be kept confidential, with some Parties requesting full autonomy in disclosure of information. This position is largely at odds with the push for greater transparency in the Paris Agreement broadly, and within A6.2's existing reporting infrastructure. \*
- Authorisation: At COP28, Parties negotiated on authorisation processes, including whether authorisation could be revoked following a

- transfer of ITMOs. Such an allowance would risk potential double counting of emissions reductions under A6.2. The current draft decision allows Parties to make changes to transferred ITMOs only under extreme circumstances with information on the decision to be publicly available by participating Parties. \*
- Electronic reporting format: The Supervisory Body is requested to finalise standardised reporting tables for submitting annual information on cooperative approaches, including the authorisation of ITMOs, for adoption at the 6th meeting of Parties to the Paris Agreement (CMA 6 in November 2024).\*
- Guidance on applying CAs across single and multi-year NDCs to avoid double counting: Development of methodologies to calculate GHG emissions by sources and removals by sinks, as well as establishing indicative trajectories and budgets. A decision on whether or not ITMOs could include emissions avoidance.



Currently proposed reporting infrastructure under Article 6, including how the CARP will interact with Article 6.4's Mechanism Registry. Source: <u>UNFCCC Secretariat</u>, <u>May 2022</u>.

**Footnote:** As no formal decision was adopted at COP28, \* refers to information taken from the Draft Decision: <u>Matters relating to cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement.</u>

