Market and non-market mechanisms in Article 6 of the Paris Agreement are expected to play a significant role in the achievement of NDCs and realizing “higher ambition” (as stated in Article 6.1). There has been limited progress in operationalizing the high-level concepts in Article 6. The SBSTA meetings held in May 2017 only yielded a tentative list of issues to be addressed – far short of fleshing out Article 6 into a practical and implementable process/mechanism.

OVERALL OBJECTIVE

- Design a pilot Article 6 transaction.

HIGHLIGHTS

- Transaction model for countries under Article 6.2 developed and presented to prospective “buyers” of internationally transferred mitigation outcomes (ITMOs) within GGGI membership.

RELEVANT SDGs

13. Take urgent action to combat climate change and its impacts.
17. Strengthen the means of implementation and revitalize the global partnership for sustainable development.
RESULTS ACHIEVED IN 2017

OUTCOME 1

STATUS

ACHIEVED

Technical contribution to the operationalization of Article 6 of the Paris Agreement.

• In January 2017, GGGI launched a scoping project titled “NDC Collaborative” as a first step toward addressing this intellectual gap and operationalizing Article 6. GGGI developed a conceptual approach outlining how GGGI could design and facilitate a pilot transaction, utilizing its existing assets of partner countries and bankable projects.

• The concept was tested to a closed audience composed of experts in carbon markets/climate finance/international climate policy, WB staff who designed the CDM and Prototype Carbon Fund that pioneered “first-of-its-kind” transactions, and senior government officials (e.g. economic adviser in the Prime Minister’s Office of Ethiopia, executive director of Senegal’s pension fund, etc.)

• The invitees expressed much interest in the concept and affirmed its contribution to UNFCCC negotiations. They requested that GGGI follow up with detailed models of pilot transactions for discussion in the second meeting.

OUTPUT 1.1

STATUS

ACHIEVED

Pilot Article 6 transaction.

A model 6.2 transaction between countries has been drafted and presented to prospective “buyers” of ITMOs within GGGI membership (Republic of Korea MOFA and Australia’s Carbon Market Institute).

ADDITIONAL RESULTS

• Over the course 2017, a series of four feedback workshops were held with local stakeholders in Vietnam, Indonesia, the Philippines, and Ethiopia. During these workshops, GGGI introduced the pilot tool to local stakeholders, and invited them to provide feedback on the tool, its framework and methodology, the user interface, index, simulation tool, and evidence library. Some of this feedback was used to refine the tool before the pilot version was finalized, while other feedback has been noted and will be used to feed future revisions and versions of the tool. Many stakeholders at these workshops provided positive feedback on the tool and suggested that GGGI consider producing country-specific versions which could be adapted to local needs.

PARTNERS

• MOFA (Republic of Korea)
• DFAT (Australia)
• Carbon Market Institute (Australia)