

## Draft texts on Article 6 forwarded to CMA 6

Baku, 18 Nov (Hilary Kung): The Subsidiary Body for Scientific and Technological Advice (SBSTA) concluded the consideration of both Article 6.2 and Article 6.4 of the Paris Agreement (PA) with a procedural conclusion to forward a draft text to week 2 for consideration, for further guidance and adoption at the 6<sup>th</sup> session of the Conference of Parties to the PA (CMA6) in Baku. The SBSTA concluded its work on Nov 16.

The SBSTA agreed to transmit a draft text (clean text without bracket or options), while “noting that the draft text being forwarded is not agreed by Parties as it does not represent consensus among Parties”.

(Article 6 of the PA is referred to as ‘cooperative implementation’ among Parties, involving the use of carbon market approaches [referred to as Articles 6.2 and 6.4] and non-market approaches [Article 6.8] in the implementation of their nationally determined contributions [NDCs].)

In the communication issued by the COP29 President on 16 Nov to Parties, the President has “invited pairs of Ministers to lead consultation on the issues deemed to require political attention, to make progress and facilitate compromise on outstanding issues”.

The pairs of Ministers for Article 6 are **Grace Fu Hai Yien (Singapore)** and **Simon Watts (New Zealand)**. Further details on the mode of work,

whether there will still be continued technical work on limited set of issues, into which emerging political agreements or only ministerial consultations or complimentary presidency consultations will be announced by the President at the plenaries on Monday (18 Nov).

### ARTICLE 6.2

The SBSTA adopted a simple [procedural conclusion](#) that agreed to recommend to the CMA to consider the [draft text](#) on the UNFCCC website.

During the information consultation on 14 Nov, the Co-facilitators **Maria Jishi (Saudi Arabia)** and **Peer Stiansen (Norway)** informed that they were given the mandate by the SBSTA Chair **Harry Vreuls** to produce a draft text for him to consider and then to present it to the Heads of Delegations (HoDs) level. The [draft text](#) (without brackets and no options) was produced on 15 Nov and the HoDs meeting on Article 6 was convened on the same day by the SBSTA Chair.

During the final informal consultations for Article 6.2 on 16 Nov, the Co-facilitators informed Parties about the outcome of the SBSTA Chair’s and HoDs meeting that the draft

text produced is now SBSTA Chair's text. Many Parties expressed concern with the mode of work and called for including all the options in the text which indicated that there are still many areas of divergence in the room.

**African Group (AGN)** and the **Like-Minded Developing Countries (LMDC)** also noted that some of the new text coming from "one submission that has not been socialised with other Parties".

Compared to the earlier version forwarded from Bonn, the draft text includes a whole new section II containing 10 paragraphs on further guidance on initial reports. For example, in the new Section II, one of the new additions is for Parties to provide information in the initial reports on whether the "...[Article 6] cooperative approach involves a baseline-and-credit approach or a cap-and-trade system, and in the case of a cap-and-trade system, a description of the methodology for determining the mitigation outcomes resulting from that system."

The other contentious issue includes "Change to the authorisation" - whether changes to authorisation is allowed and if yes, under what condition it is allowed. By and large, some developing countries prefer the flexibility to be able to change the authorisation while developed countries were strongly against such changes on the grounds that it would undermine market confidence. The draft text that will be forwarded to next week for CMA consideration reads as follow:

"16. *Decides* that any changes to an authorization of the use of internationally transferred mitigation outcomes from a cooperative approach and/or revocations of an authorization shall not apply to, or affect, mitigation outcomes that have already been first transferred, unless the Parties participating in the cooperative approach have agreed applicable terms and provisions in the authorization that specify the circumstances for such changes and the process for managing them;

17. *Also decides* that participating Parties shall make the terms and provisions for changes in the authorization of the use of internationally transferred mitigation outcomes publicly available, ensure that resulting changes and revocations are consistent with decision 2.CMA/3, annex,

paragraph 21(e), and ensure that any changes to an authorization of the use of internationally transferred mitigation outcomes from a cooperative approach do not lead to double counting".

Some of the other contentious issues are on the form, functions, processes and additional functionality of the international registry (for internationally transferred mitigation outcomes).

## ARTICLE 6.4

Similarly, the SBSTA also adopted a simple [procedural conclusion](#) for Article 6.4 and agreed to recommend to the CMA to consider the [draft text](#) on the UNFCCC website. The informal consultations were co-facilitated by **Kate Hancock (Australia)** and **Sonam Tashi (Bhutan)**. The draft text contains a much shorter list with 2 issues (Authorization and Mechanism Registry) compared to the previous version.

A contact group under CMA was also convened on 13 Nov for Parties to express views on what they would like to see in the draft decision.

(During the first day of the CMA on 11 Nov. a [decision on Article 6.4](#) was gavelled, where the President reassured Parties that the contact group would be convened, [due to raised concerns that the decision was adopted without the convening of the contact group, to provide further guidance to the Article 6.4 Subsidiary Body Mechanism (SBM), and take any further actions deemed appropriate]. (For background information, please see [TWN Update 1 and 2](#))

There was another [draft text](#) produced after the contact group under the CMA covering the operation of the mechanism, further guidance on the mechanism methodologies that were adopted by the SBM, and gavelled on authorisation, mechanism registry, share of proceeds for adaptation and transition of the Clean Development Mechanism activities.

At the contact group, the **Coalition for Rainforest Nation (CfRN)** provided a strong intervention in regards to the SBM's adoption of the mechanism methodologies. Calling it a "horrible precedent". It said further that the mandate was to elaborate and

forward for adoption at CMA. Instead, the methodologies were adopted and made effective immediately [by the SBM] adding that the SBM used the term “standard” for methodologies, which is usually a term applied to rules and procedure. This it said has “broken the trust of the mandate. We gave mandate to 12 people to represent all Parties, (and) this trust has been lost. We should send clear signals that this should not be repeated.” However, the other Parties including **Australia**, the **United States**, **United Kingdom**, **Norway**, **Japan**, **European Union**, and **LMDC** lent voice to support the work of the SBM.

## ARTICLE 6.8

The SBSTA [concluded](#) work on the Article 6.8 on ‘Non-market approaches’ and also recommended a [draft decision](#) for consideration and adoption by CMA6.

In Baku, the Glasgow Committee on Non-market Approaches, presided over by **Jacqui Ruesga (New Zealand)** and **Kristin Qui (Trinidad and Tobago)**, conducted an expedited and simple assessment of the progress and outcomes of the first phase (2023–2024) of implementing the Article 6.8, which then recognised that the “NMA Platform was only recently launched, (and that) no non-market approaches have yet been recorded by Parties”. The draft decision also acknowledged that, “...as at 15 November 2024, 79 Parties had notified the secretariat of their national focal points” and invited more Parties to notify secretariat of the national focal points to enable access to the NMA platform.

One of the key divergences in the room was over the **LMDC’s** proposal, championed by **Bolivia**, on the recognition of “Mother Earth Centric Actions” and the link between biodiversity conservation and climate change efforts in the second phase of the work programme (2025-2026).

The final text in the draft decision reads as follows: “ Recognizes the importance of developing and implementing integrated, holistic and balanced non-market approaches, which may include joint mitigation and adaptation approaches for implementation under the framework for non-market approaches, which can link addressing climate change to biodiversity conservation and sustainable development, considering the benefits that may arise from such approaches, including ‘Mother Earth Centric Actions’ as recognized by some cultures, the benefits of which include, but are not limited to: (a) Ensuring the integrity of all ecosystems and the conservation of biodiversity when addressing climate change; (b) Enhancing different value systems, including for living in balance and harmony with Mother Earth, as recognized by some cultures, in the context of addressing climate change.

It was learnt that Bolivia also had proposed to develop an expert meeting and a technical paper on “Mother Earth centric actions” and its potential to address jointly climate change, biodiversity and sustainable development to inform at COP30 of UNFCCC and COP17 of the Convention on Biological Diversity which was dropped from the draft text.