

**Agenda item 2.2.**  
Paragraph 7 of the annotated agenda

**Update CMP.14 and related decisions**

**CDM EB 102**

Bonn, Germany, 25 to 28 March 2019



## Overview of the decisions

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- **CMP 14**
  - Guidance relating to the CDM
- **SBI 49**
  - Review of the modalities and procedures for the CDM
- **SBSTA 49**
  - Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement
  - Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement
  - Work programme under the framework for non-market approaches referred to in Article 6, paragraph 8, of the Paris Agreement



## Guidance relating to the CDM

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- The CMP encouraged the Executive Board to review methodological approaches for calculating emission reductions from project activities, resulting in the reduced use of non-renewable biomass in households;
- The CMP requested the Executive Board and the secretariat to ensure the efficient and prudent use of resources of the Trust Fund for the Clean Development Mechanism to the end of the true-up period for the second commitment period of the Kyoto Protocol, and to present a comprehensive report to the CMP15 on the present financial situation of the clean development mechanism and the foreseen budgets for activities until the end of 2023.



## Review of the modalities and procedures for the CDM

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- Given the prioritization of the Paris Agreement Work Programme, the SBI agreed to postpone its consideration of the matter to SBI 50 (June 2019).



## Article 6 - Decision 6/CMA.1

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- Outcome on Article 6 at CMA 1 was procedural as agreement could not be achieved on some key issues.

- The CMA requested the SBSTA to continue consideration of the mandates relating to Article 6 (1/CP.21, paras 36–40), taking into consideration the draft decision texts
  - from the SBSTA (8 December), and
  - “Katowice texts” from the Presidency consultations (14 December), with a view to forwarding a draft decision to CMA 2 (December 2019)
- The CMA noted that information in a structured summary referred to in the MPGs for the transparency framework under Article 13 (para 77(d) of the annex to the decision on transparency) is without prejudice to the outcomes on Article 6 matters



## Article 6: status of negotiations

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- **Significant progress** was nonetheless made:
  - 6.2 – reduction of options so text reduced from 27 pages pre-session, to 12 pages mid-session and **7.5 pages at end**
  - 6.4 – reduction of options: 31 pages to 15.5 pages to **11 pages**
  - 6.8 – reduction of options: 10 pages to 5.5 pages to **4.5 pages**
- Reduction of pages was not mechanical but reflected substantive progress, with clearer text and **far fewer remaining options.**



## Article 6: status of negotiations continued

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- There is now **a context into which Article 6 negotiations can be slotted** as the rest of the Paris Agreement work programme has been completed.
- The **transparency and finance regimes under the Paris Agreement can now help in finalizing Article 6 issues given the close linkages**
- The **mid year UN negotiation session (SBSTA) is important:**
  - Need a text basis to work on that captures progress so far;
  - May benefit from higher level engagement from Parties (Heads of Delegations)



## Article 6: key unresolved issues

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### Some key unresolved issues:

- Question of **application or not of corresponding adjustments for the mechanism** under Article 6, paragraph 4
- Use of **internationally transferred mitigation outcomes (ITMOs) for purposes other than NDCs** (and accounting for that)
- **Whether to have a share of proceeds (levy) for adaptation on cooperative approaches** in addition to on the mechanism
- Delivery of **“overall mitigation in global emissions”** in Article 6 implementation
- **Transition of mechanisms under the Kyoto Protocol (CDM, JI)** to the Article 6, paragraph 4 mechanism – activities and issued units
- Confirming **the governance arrangements in the framework for non-market approaches**

