

COOPERATION UNDER ARTICLE 6: THE KEY TO SCALED UP EMISSION REDUCTIONS

The ambitious temperature goal of the Paris agreement significantly raises the ambition of international cooperation on climate change. Immediate and radical change will be needed.

By 2030 greenhouse gas emission cuts need to go well beyond what is implied by the INDCs communicated by Parties. Immediate action is needed to prevent lock-in into carbon-intensive infrastructure. Otherwise, attaining the long-term temperature goal will most likely require future negative emissions of almost unimaginable magnitude.

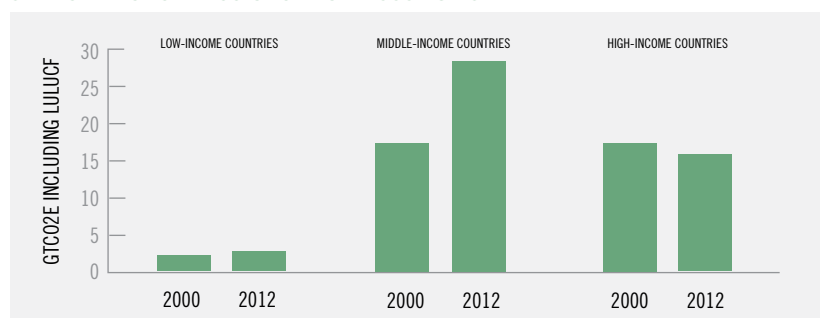
An overwhelming majority of global greenhouse gas emissions occur in high- and middle-income countries. Limiting warming to well below 2 degrees requires strategic action that is compatible with the long-term transformation of energy systems required world-wide.

To achieve the ambitious temperature target, long-term thinking is needed; Long-Term Low Greenhouse Gas Emission Development Strategies (LEDS) may facilitate a long-term perspective and long-term objectives may be supported by results-based payments on the basis of transformational indicators (e.g. the carbon intensity of new-build in a sector) in addition to the conventional CO₂e.

The Kyoto Protocol successfully used market-based instruments to assist industrialised countries to achieve their emission limitation commitments. This approach created a global multi-billion dollar market engaging the private sector in climate friendly investments and enhanced cost efficiency by activating an efficient market-search function. Incentives for investment in climate-friendly technologies were introduced in countries and regions where national energy and climate policy were not yet incentivising such technologies.

The market-based approaches under Article 6 will have to be designed so that those accomplishments can be repeated, and even scaled up, under the Paris Agreement. But as the task has grown

CHANGE IN GHG EMISSIONS FROM 2000 TO 2012



The illustration shows GHG emissions in 2000 and 2012 for low-, middle- and high-income countries, respectively. Data from the World Resources Institute data base CAIT.

in magnitude, we see a different role for Article 6 compared to the Kyoto Protocol mechanisms; cooperation under Article 6 needs to aim at achieving substantially more reductions.

Due to the urgency in reducing global emissions on the near-term, there is probably not much space for offsetting – considerable mitigation is needed in all countries, particularly in high- and middle income countries.

Under Article 6, the tool for co-operation needs to expand from a project-/ programme-based approach to a broader scope, such as a sector. In order to ensure that more really is achieved through working together, a robust and credible set of rules will be required.

A robust and transparent common accounting framework is needed, so that transferred units can be tracked and match national inventories and progress towards pledges can be monitored. A certain level of accounting and inventory sophistication is in our view a necessary prerequisite, in particular for activities under Article 6.2.

Even with proper accounting of transferred units, environmental integrity cannot be guaranteed without adequate consideration

of baselines and additionality. NDCs cannot automatically be used as a basis for a baseline; one possibility for getting a better grip on what an NDC will entail in form of domestic action, and what would be suitable for international support under Article 6, would be to relate NDC emission levels to scientifically robust low-emission development strategies.

The Swedish Energy Agency has used the CDM MRV toolkit for over a decade to channel results-based payments towards real and meaningful mitigation projects in developing countries.

Provided that there are robust and credible rules, Article 6.4 in particular, could be used as a way of channelling results-based climate finance towards real and meaningful mitigation activities to achieve sufficient levels of mitigation in middle income countries, in addition to the radical reductions needed in all advanced industrialised countries.

It is our firm belief that we can do more together.

Ulrika Raab is senior climate change advisor and Kenneth Möllersten is a member of the Market Development Department at the Swedish Energy Agency