

UNFCCC Meeting Report Article 6.4 (Negotiating Session)

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Meeting: COP29, Baku Azerbaijan

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Time	Session/Agenda/Event Title	Location
19:00h - 21:00h AZT/UTC+4	Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement and referred to in decision 3/CMA.3 - Informal consultation: SBSTA 13 (b)	Meeting Room 25, Area D

Relevant Text: <https://unfccc.int/documents/642812>

Key Takeaways:

Timing of Authorization

- General agreement among parties on flexible timing of authorization but no later than the first transfer, with the exception of the US. The UK expressed initially supporting Option 1 but is now in line with all parties.

Changes in Authorization

- EU, AILAC, UK expressed shared sentiments on needed to finalize 6.2 guidance on revocations and changes, because the process should be mirrored (where applicable for 6.4).
- Grupo Sur and Arab Group had structural recommendations for changes, also contingent on 6.2 process results.
- LMDC opposed any changes in the authorization

Structure and Format (Paragraph 8)

- India wants a standardized format for some consistency among the parties
- Australia: standardized format

Mechanism Registry

- Although on the agenda mentioned by the co-facilitator, very little mention due to timing.
- The general agreement is that 6.2 needs to be finalized before parties are willing to take strong positions, although some parties (Japan, Grupo Sur) expressed interest in creating bridging proposals for perceived structural issues.

General Process Comments

- UK: be aware of interdependencies between 6.2 and 6.4
- Tuvalu: Strong comment about how this process is not mature / concerns with

transparency and integrity

- EU: Suggested a combined Article 6.2 and 6.4 discussion

Notes:

Speaker	Notes
Co-fac, Sonam Tashi, Bhutan	• Thanks • Open to observers • Instructed by SBSTA chairs to communicate that the text needs to be streamlined to be given to heads of delegation • Please provide suggestions on the text on the floor or email the secretariat with text proposals • Been given an hour, like to use it effectively like considering draft chapter by chapter • First 30 minutes on authorizations • Last 30 min mechanism registry
Co-fac Australia Kate Hancock	• Focus on options that edit text • Authorizations start ◦ Several options on different dates ◦ Open to the floor to streamline dates and options and find options that have broad support ◦ Chapter 1
Africa Group	• Thank you for the text • Pgh 1: authorization → timing: wanted to have flexibility, bearing in mind that there is already a decision saying it will be provided at issuance ◦ Option 2: gives flexibility, based on technical issues we see in other sections, we think we can authorize no later than the first transfer • Also, think that op 2 is an option under which we can have a discussion and see technically how it can be applied • close link to change options (section c): want the main possibility for MCU to be issued, to come 6.4ERs authorized here • All requirements required for 6.4 here: corresponding adjustment, SOP ◦ If it needs to be done in mech registry b4 first transfer to allow control by mechanism administrator, we can do that to see technical elements • Closely linked with change and process with change • Could sort that issue here instead of the process of change • Requesting SB sort that out and come back to CMA; give clear guidance, get SB to report and give to CMA, and if CMA is unhappy with what is reported, then they will provide guidance • Want correspondence with 6.2
Grupo Sur	• Timing of authorization

	○ Retain option as well, with both pieces of bracketed text ○ No later than the first transfer, just this piece makes the most sense (not any time) ● Statement of Authorization ○ Option 2 is fine with adjustments ○ Keep paragraph 4 and delete 5 ○ Have another paragraph under changes to authorization instead ● Changes to authorization ○ Work with paragraph 8, stop right after text in brackets, “or any changes out of registry”, stop and change there ○ Host parties should give respect to changes made and respect to corresponding adjustments ○ In line with paragraph and specificities procedure ○ Agree with AGN - do not need to request SB to work on it if we can produce clear guidance here ○ Makes sense with cross-checking 6.2
UK (Dexter)	● Cognizant of interdependencies ● Think 2 all approaches: protect against double counting, etc. ● Option 1: if 6.2 refers to the withdrawal of authorization and avoids double counting, broad consistency with 6.4 could work ● Option 2: it is broadly talking about changes, such as allowing MCU to be authorized in 6.4 ab4 transfer, then the correspondence between 6.4 and 6.2 may not work
EIG	● Sequential and logical process, fast to kickoff ● The Basis is in paragraph 6 ● Recognize there are differences in timing and statement, but can agree that there must be clarity on whether there is an issuance and clarity regarding the statements. ● The host party says here is my info, either you can issue MCU or you can issue Authorized units. ● That should be the starting point of the text ● If you have that, you may not even need Chapter 8 ● Make it clear on timing here ● Move it to the second question ● If things are already issues, can we change the status ● Paragraph 8, option 2 ○ Provides that answer, have the 2 timing indications before any changes in the registry or transfers out ○ Similar to saying before the first transfer, this is what we hear in the entire room. ○ This must be clarified at first transfer, just need to clarify that transfer in Paragraph 8, “job is basically done” ● Thank AOSIS for introducing the option with 5% + 2% to be held

	part of it from the very start ○ Should best integrate under the process of change ○ Chapter D ■ Only triggered if an MCU is authorized, in general terms, Paragraph 12 offers clarity, but could integrate it more clearly. ■ Could make the structure of the text easier ● Echo UK on changes ○ Not comfortable with direct relation to 6.2 ○ A lot of draft text in 6.2 does not apply to 6.4 ○ This will be a final-moment game, once 6.2 is finalized, can see if it can be applied or not. ○ At this moment does not make sense ● Section E - authorization statement ○ Many reporting elements it is clarified by 6.4 mechanisms in the procedures, there is no need for a party to explain the reversal process, it is already in the procedure. ○ Does not need to be as embarrassing ○ Key elements - authorized or not, indicate any potential changes that the authorizing party can see and tell us what they are
Co-fac Hancock	● Roughly 40 min, less than that ● Want to hear views on chap 1 and 2, we need to turn a clean text ● Please focus on the matter we identified, particularly where u have advanced binding proposals ● Know ur position, appreciate the show of flexibility
AOSIS	● Thanks for putting the text together and discussion ● Want option 1 for timing ● Authorization: option 3 ● Switzerland: can be combined; beneficial we agree ○ The move should provide the clarity b4 units are issued ● Sec c: prefer option 1, no change to authorization status, but we are trying to be flexible ● All options put on the floor yesterday were so that the value of units getting to the adaptation fund would be the value had there been authorization upfront ○ Looking at any package in this light ○ Appreciate suggestions to move elements in the text, such as the process of change ● Flag: the notions of A, B, C, etc. were distinct options, so there are upfront comments regarding adjustments regardless of later changes without authorization ○ Want this comfort, the comfort that host parties have signed off on authorization and that they are for NDCs, or that

	they're being clear of no auth ■ Swiss proposals ● Suggestion to direct things to SB: beneficial to take the time here to do work so the SB doesn't have to send it back
LMDC	● Section 1 for authorization ○ Keep option 2 and keep both brackets under that option ○ For the statement of authorization ● Section B, changes ○ Option 1 keep the brackets as well ○ No changes allowed ● Changes of authorization ○ Keep Option 3 - changes are consistent with Option 2 ○ As well as Option 5 ● Process of change - section D ○ Open to giving guidance to SB while keeping options and bracket until discussions are over ● Section E ○ Option 1 with statements + also Option 3 ○ Ask SBM to develop guidance for authorization statements
AILAC	● Timing of auth: option 2 in brackets ● Statement of auth: might have an idea to mix para 3-5; would be a birding proposal ○ Changed wording of para 5: instead of decided: "clarifies", then scratch from notwithstanding to 59 ○ [discusses para specific changes pretty quickly] ○ Be clear about SOP to fund, not just for adaption ○ Think this change will bring comfort to many parties ○ Option 3 can be combined with 2nd paragraph ● Pgh 7: can be combined with a new proposal, would be "encourages" to provide a statement ● Changes of auth: also would like to see how 6.2 convo happens to determine this; I prefer op 3; ● Content of auth: feel comfy w op 1, and mixing with the proposal of LMDCs
India	● Timing of ○ Option 2 - flexibility ○ Can agree with nothing later than the first transfer ○ The limited payoff of after-use ● Section B ○ Option 1 - ○ Issuance of MCUs should be allowed to happen when statements of authorization are not provided ○ India can agree to authorization to issue mitigations

	contribution before first transfer 64ers and provide corresponding adjustments, canned for OMGE ○ Can agree to Option 2 - first transfer authorization and apply to corresponding adjustments forwarded for SOP or canceled in the party registry ● Process of change ○ Agrees with option 2 ○ Option 1B is not applicable ○ This might require retrospective authorization, which is not desirable Option 2 If ● UNFCCC can provide minimal context for consistency in reporting across parties; different formats will exacerbate issues
Canada	● Appreciate props from AILAC, Brazil, EIG ● Understatement of auth: recognizing that it is referenced in E on contents ○ Supports authorization 6 for the same reason as EIG – want clarity around, at issuance, if it is an authorized or non-authorized unit ○ Appreciate AILAC bridging prop ○ One reason 6.4 is unique is that it deals with authorized and non-authorized units ○ One thing we want retained to be reflected very distinctly want to see when a party authorizes or explicit decision not to authorization ● Section d, para 12: don't see a need for SB to report back on its work ● Appreciate AOSIS bridging prop ● Want to see a text from Brazil
Japan	● Trying to make some bridge ● Look at both options 1 + 2 ● Mention Annex 1 - 6.4 mechanism registry, add one after the annex ● Specify when the authorization is provided, especially for authorization of 6.4ER ● Defines status at time of issuance ● Can also put some encouraging words to add more clarity on the status to be provided ● Understand that some parties wanted to have some starting flexibility in terms of authorization status. ○ Think and clarify ○ Think we can speak to language on 6.4 ○ Paragraph 42 -> from 6.2? It is unclear what text he is referencing

	■ Kind of authorization statement the party can provide ○ What kind of statement a party can provide ○ An authorization statement cannot be provided any later than 6.2 ● Have a bridge proposal he is submitting ○ Can request guidance on changes and how changes to mitigation contributions can be addressed and authorized before the first transfer ○ Pgh 43 of guidance
CfRN	● Like to lend support to EIG prop ○ Use para 6 to push up of statement of auth ● Timing: op 2 → group sur ○ 6.4er provided no later than the first transfer ● Change and content: option to be a cross-reference with 6.2 ● Sec e: op 1 ● Sec c: op 3 ● Process of change: This can be solved here, but if it goes to SBM, should come back to discuss an adaptation
US	● Difficult to follow and issues that extend across just 6.4 into 6.2 ● Try to go quickly through the text ● Preamble - think it would be better and cleaner with more accuracy to simply just recall exact references instead of quoting text out of context ○ “Also recalling” ● Section A ○ Option 1 - need to reserve the ability of parties to authorize after issuance ○ Can’t compel authorization or make it mandatory until after issuance ○ Hard to see if the amount approved will be the same as the project ● Section B ○ Option 1 reflects views ■ Have to approach projects in other to be in line with nature ■ In line with decision 3CMA.3 ● Section c ○ Option 3 ● Section d ○ Not comfy with para 3 ○ Keep para 12 ● Section D

	○ Option 1 is closest to the views
Australia	● Like the Swiss, integrate 1 and 6 ● Like Japan to streamline ● AOSIS: attempts to bridge in option 2; also grupo sur ○ Want this to be taken care of here, not going to SBM ● More requirements, not just ones from 6.2 ● Like LMDC's standardized format
EU	● The relationship between 6.2 and 6.4 needs to be managed ● Agree with EIG/Switzerland ○ Have been option 1 but agree that it needs to be no later than authorization now ● Appreciate AOSIS proposal ○ Make sense of those ● Agree with the principles in Paragraph 12 ● Content ○ Cross-reference to 6.2 is the best process
Arab Group	● Section 2: op 2 ● Section b: statement ○ On au, option 1 on mitigation contributions ● Section c: option 2 ○ Open to bridging proposal ● Section E: option 1
Co fac aus	● Have to take two more flags
Tuvalu	● Process ○ The level of maturity is not sufficient to give you a mandate to make clear text ○ See major differences and need further discussion to give a mandate ○ Very unusual for the SBSTA chair to demand clear text ○ Need more time
Indonesia	● Timing of auth: op 2; flexibility ● Statement of auth: op 3, on paragraph 6 ● Change of auth: option 2 on para 8 ● Process: op 1 in conjunction with op 2 in sec c ● Statement on auth: op 1 Mechanisms and registry: op 1a ○ Connect with the party registry if requested by the party
EU	● On the process point, we are being presented with clear text ● There will be a hard discussion on 6.2 ● Taking on the point of LDC, this is the stage of the process where we are addressing clean text

	• 6.2 is where the discussion will take place, and then the coordination will happen to 6,4 • Make sure to present a clean text that is consistent • We could have a joint discussion on 6.2 and 6.4
LMDC	• Reflecting on possible 6.4 clean texts, know there needs to be consistency in the draft text, but respecting differences • I would like to request that any updates to the retained option it would retain all brackets under those options • And any new intros would be in brackets
Co fac aus	• Thank for view • Inform the SBSTA chair on requests to streamline