

Least Developed Countries Group on Climate Change

31st March 2021

Submission to the SBSTA Chair by the Kingdom of Bhutan on behalf of the Least Developed Countries Group:

Avoiding double use for outside the Nationally Determined Contributions (NDC) for Article 6.4

The LDCs present their views on the matter of *Avoiding double use for outside the Nationally Determined Contributions (NDC) for Article 6.4* of the Paris Agreement, to be discussed under the Informal Technical Expert Dialogue scheduled for 20th April 2021.

We consider this topic as having been framed in a manner that pre-determines an outcome. The issuance of Article 6.4 units for activities outside the NDCs was never agreed by the Parties, let alone how to avoid double counting for use of such units.

LDCs understand that A6.4ERs should only come from activities within NDCs. We understand that to manage global GHG emissions with environmental integrity towards avoiding a dangerous increase in temperature of 1.5o C, it is extremely important to ensure that all sectors are fully accounted for.

To that end, limiting article 6.4 participation to activities that are inside the scope of the NDCs provides incentives for Parties to broaden the scope of their NDCs. On the contrary, allowing issuance of A6.4ERs for activities outside the NDC would create a perverse incentive to Parties to keep sectors outside NDCs, if corresponding adjustments were not required., which would be contrary to Article 4.4 of the Paris Agreement.

Exception should be made only for LDCs and SIDSs that have strategy, plans or actions for low greenhouse gas emissions development, pursuant to 4.6 of the Paris Agreement. In this case, LDCs and SIDS could generate A6.4ERs from within their strategy, plans or action. In this case a corresponding adjustment would still need to be made.

We believe it is of the utmost importance to ensure the mechanism under article 6.4 will generate offsets that have environmental integrity and consistency with the Paris Agreement objectives and principles. We cannot allow Article 6.4 to be a market mechanism just for the sake of it, but need to ensure it will be one that does not hinder the overall goals of the Paris Agreement and that can deliver on the ambition necessary to overcome the catastrophic climatic scenarios posed by science.