



Implementing Art. 6 of the Paris Agreement

The Paris Agreement on Climate Change sets out a global action plan to put the world on track to avoid catastrophic climate change impacts.

The agreement acknowledges that this effort will require a global peaking of greenhouse gas emissions as soon as possible and achieving climate neutrality by 2050. The transition to a low carbon, resource-efficient economy demands a fundamental shift in technology, energy, economics, finance and our behaviour as a global society. Article 6 of the Paris Agreement details a set of tools and mechanisms that can stimulate investments also from the private sector into mitigation activities and implementing the nationally determined contributions (NDC).

Rationale

Public resources in developing countries will not be enough to adequately address climate change and to implement their pledges to the Paris Agreement. The costs of these pledges (specified in their Nationally Determined Contributions or NDCs), are constantly swelling as climate impacts progressively worsen. The vast majority of emission reduction activities need to be implemented and financed by private sector and businesses. These same activities will also help countries achieve other sustainable development objectives and countries' commitments to the Agenda 2030 and the Sustainable Development Goals (SDGs), as most climate solutions have multiple co-benefits for people and planet, especially in the area of health, access to clean energy, gender and food security. For the world to give itself a chance to prosper in the midst of a global pandemic and political and economic uncertainty, it's essential to find innovative, effective and context-sensitive ways to stimulate and scale up investment and finance for NDCs and national development plans.

Article 6 of the Paris Agreement details a set of tools and mechanisms that can stimulate investments into mitigation activities and NDC implementation and Switzerland has a strong interest in promoting them. Switzerland has been engaging on a bilateral basis with developing countries to develop an approach – in-line with the Article 6.2 of the Paris Agreement on Internationally Transferrable Mitigation Outcomes (ITMOs) and the subsequently developed San Jose principles – that results in a cooperative relationship and a set of commercial transactions between countries, yielding numerous climate mitigation and sustainable development benefits. Moreover, such an approach will allow Switzerland and host countries to make progress on their respective international commitments to the Paris Agreement, accelerating its implementation.

SECO country/region

Ghana, Peru, Ukraine,
Global

Executing agency

UNDP

Duration

2021-2024

Total budget

USD 40,000,000

SECO contribution

CHF 1,350,000



Objectives and activities

The project provides technical assistance necessary to develop carbon market readiness for up to 6 countries, which have signed or will sign an Article 6 Cooperation Agreement with Switzerland. The provided technical assistance to prepare for implementing efficiently and successfully the agreement.

The scope of the TA project is informed by experiences gained over the last years in supporting the implementation of the necessary market requirements as well as in piloting first project activities. The technical assistance will include the following four outcome areas.

1. Development of the legal setting for Article 6.2
2. Strengthening of ITMO operational processes
3. Facilitation of a Digital Article 6.2 Platform to strengthen cooperation and enhance awareness of Article 6.2
4. Hands-on 'learning by doing' on the operationalization of the ITMO project cycle

Due to the fact, that the needs for technical assistance can differ substantially from country to country, the concrete country TA support package will be tailor-made. Only outcome area 3 provides a service that benefits each beneficiary country, irrespective of its state of readiness.

Governance Structure

The global energy team of UNDP will perform project management and project oversight, including overall responsibility for project planning processes, reporting functions and budget management. It will also provide support to UNDP Country Offices. Implementation of activities in each target country will be led by the UNDP Country Office and overseen directly by each UNDP Country Office Environmental Team Lead. UNDPs Country team will coordinate with Swiss country representations and provide activities updates.

Further information and contact details

Article 6 TA project at SECO:

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