



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Federal Department of the Environment, Transport,
Energy and Communications DETEC
Federal Office for the Environment FOEN
International Affairs Division

Cooperation under Article 6.2 (Paris Agreement): the Swiss Experience

6 May 2021, Veronika Elgart



Article 6 is an opportunity ...

... for enhanced global mitigation action
... to contribute to sustainable development

- **Paris Agreement allows for cooperation to achieve enhanced ambition (Art 6.1 of Paris Agreement)**
- **Switzerland has formulated a Nationally Determined Contribution (NDC) beyond the effect of its strengthened domestic policies**
 - > NDC: minus 50 percent by 2030 compared to 1990 levels
 - > Domestic policies: minus 37.5% by 2030 compared to 1990
- **Demand for emission reductions beyond partner country's NDC will lead to additional investments & associated co-benefits**
- **Switzerland: means used for purchase of ITMOs are additional to international climate finance**

Peruvian - Swiss approach to Art 6.2

Bilateral Agreement connecting national frameworks:

- to provide investment security and create an international market

Bilateral Agreement

- governments **authorize transfers & guarantee recognition** thereof under application of **defined method for avoidance of double counting**
- **set of criteria for environmental integrity & sust. development**
- **operational rules & procedures**

Agreement to be adjusted to emerging multilateral rules, as necessary.

National Framework (Transferor):

- **National authorization framework:** mandate and procedures & decision basis
- **Sourcing/development** of activities

National Framework (Receiver):

as box on left

Purchase agreements: seller – buyer (private or public entities)
> to govern amount and price of mitigation outcomes



Lessons learnt: bilateral Agreement

International Agreement clarifies framework conditions, guarantees recognition of transfers and thereby stipulates a carbon market

- **A bilateral framework that is legally binding is key to reduce risks**
 - Investment risks (mostly private entities)
 - Ensuring compliance with Paris Agreement provisions
- **Strong role for national frameworks**
 - authorizations governed in national frameworks, remain voluntary under bilateral Agreement (unilateral statements)
 - allows building up of a national strategy / criteria for authorizations
 - allows engagement in various international systems / mechanisms
- **Built in flexibilities**, including
 - **allow the cooperation to evolve** (e.g. niche to large scale)
 - **allow various cooperation** (use of ITMOs not limited to NDC achievement; direct engagement of private actors in transfers)



Lessons learnt: national frameworks

**National frameworks must be ready for Article 6 cooperation.
Many institutional arrangements are already in place.**

- **Authorization decision governed in national framework**
 - Establish mandate for authorization decision & procedures for inter-ministerial consultation
 - > Switz: CO₂-law / inter-ministerial committees at technical & high-level
 - decision basis for authorization requests (strategy, criteria)
 - > Switzerland requirements specified in national legislation
www.bafu.admin.ch/bafu/fr/home/themes/climat/communiqués.msg-id-83088.html
- **Examination of transfer requirements** (MRV; no double claiming; no violation of human rights) > technical steps to be established.
- **Use of a database (registry) to recognize transfers**
 - > In absence of issuance of units, simple tools are sufficient.
 - > Switzerland will use national registry incl. for issuance of national units. Issuance of international units only upon definition of a jointly used registry.
- **Reporting towards Paris Agreement** (annuals reports; BTRs)



Lessons learnt: enhanced ambition and identification of activities

National strategies for use of international carbon markets are key. «Additionality» to be made fit for the Paris Agreement framework.

- **National strategies for the identification of Article 6 activities will help to maximize benefits from international carbon markets.**
 - Strategies may be built up over time, based on early lessons learnt.
 - Strategies may identify sectors / technologies eligible for international carbon markets or set general criteria.
 - Role of private sector may vary between countries
- **Highlighted: additionality & safeguarding against overselling are key for all participants**
 - transfers authorized by both Governments (Art 6.3 Paris Agreement)
 - transparency on additionality in cooperation is crucial
 - common understanding on additionality will enhance credibility



Thank you.

Deputy Head of Section, International Affairs Division,
Federal Office for the Environment of Switzerland

Veronika.elgart@bafu.admin.ch