Article 6 Negotiations Handbook for Eastern Africa

After 2020, international carbon markets will transition from the Kyoto Mechanisms – governed in a top down fashion – to the Paris Agreement which is structured in a bottom up sense. In the future, Parties can generate and trade carbon credits through bilaterally governed cooperative approaches (under Article 6.2 of the Paris Agreement) or activities under a multilaterally governed mechanism (under Article 6.4) building on the lessons of the Clean Development Mechanism (CDM). In addition, a framework for non-market-based approaches under Article 6.8 will allow Parties to engage in cooperation which does not involve the transfer of emission reduction credits. However, Parties have not yet agreed on the final rules for operationalizing the Article 6 mechanisms. Due to the COVID-19 pandemic an international framework on Article 6 will be adopted earliest in November 2021 at COP26. The continuation of issuance of CDM credits after 2020 is uncertain. At the same time the first bilateral pilot activities for Article 6.2 are being developed, including in EAA member states.