2025 Executive Training Course for Policymakers on the 2030 Agenda for Sustainable Development

PARIS AGREEMENT AND CLIMATE FINANCE

20 March 2025



Mitigation Division

Markets and Non-Markets Support and
Stakeholders Interaction subdivision



Paris Agreement: Status and Recent Developments



> Paris Agreement: Progression over time











2015

Adoption of the Paris Agreement

2018

Adoption of the Paris Rulebook

- NDC further guidance
- Transparency MPGs incl. climate finance

2021 Completion of the Paris Rulebook

- Article 6 rulebook
- NDC common timeframes
- Transparency Reporting tables and templates

2022

Adoption of further decision/guidance

Article 6 further guidance

2024

Adoption of further decision/guidance

- · Article 6 further guidance
- New Collective Quantifies Goal on Climate Finance (NCQG)

Nationally Determined Contributions (NDCs): Fall Miles Short of What's Needed^[1]

- NDCs 2.0 (2030 targets): Even if fully implemented, a 2.1-2.8°C temperature rise is expected
- 78% of Parties have indicated their intention to use Article 6 cooperation for implementation of their NDCs
- 91% of Parties have provided information on finance as a means of NDC implementation



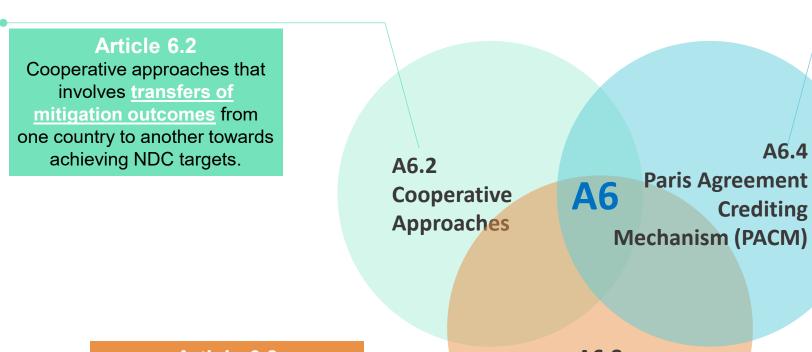
Climate finance is the key enabler for countries, especially developing countries, to implement their NDC targets.

Article 6 serves as a catalyst for mobilizing climate finance while also facilitating the deployment of innovative low-carbon technologies.

Roel of Article 6 of the Paris Agreement



Article 6 of the Paris Agreement: tool to implement NDCs and LT LEDS under voluntary cooperation between parties.



Article 6.4 A centralized mechanism under the purview of the UNFCCC which issues units (A6.4ERs).

Article 6.8

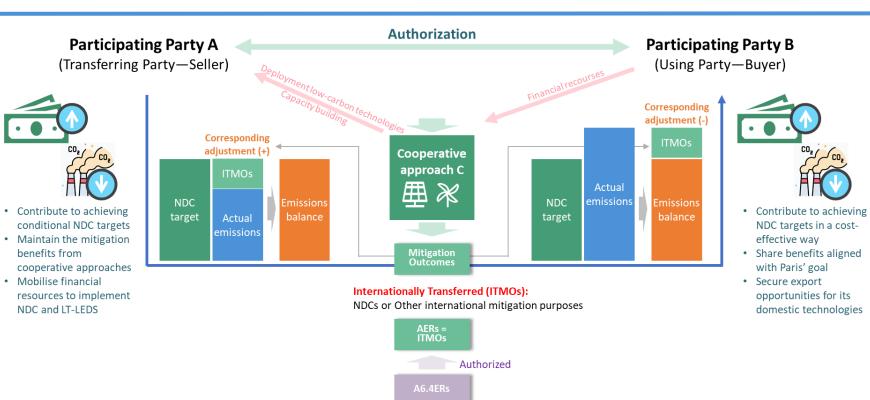
Other types of cooperation that contribute to mitigation and adaptation goals, but do not involve transfer of units among cooperating parties.

A6.8 Non-market **Approaches**

A6.4

Role of Article 6: Interlinkages between A6.2 and 6.4





Article 6.2 Cooperative approaches

Article 6.4 **PACM**

PACM activity D **MCUs** Non-熚 authorized (Mitigation contribution units) No corresponding adjustment

- Incentivize and facilitate participation of public and private entities
- Deliver an overall mitigation in global emissions
- Provide quality-assured mitigation outcomes which can be used for various purposes, including voluntary corporate action, domestic compliance/ pricing scheme and results-based climate finance

Voluntary use

Climate finance

NDC targets in a cost-

opportunities for its

domestic technologies

effective way

with Paris' goal

Role of Article 6: Contribution to Climate Finance



- COP29 outcomes on Article 6 provide certainty to investors to encourage their participation
- Based on equitable benefit-sharing principles, Article 6 is one of the key mobilizing channels for financial resources to support adaptation in vulnerable developing countries
 - A6.2: voluntary commitments for contributing resources for adaptation
 - A6.4: mandatory levy on proceeds for the Adaptation Fund
- MCUs of the PACM are expected to serve as a catalyst for delivering the NCQG target—mobilizing
 USD 1.3 trillion per year from public and private sources
 - i.e., utilizing MCUs for compliance with domestic carbon pricing instruments (ETS or carbon tax),
 results-based finance, and mitigation contribution claims for voluntary commitments or voluntary
 carbon market.

Thank you!



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