



GLOBAL CCS
INSTITUTE

A SERIES ON THE ROLE OF CCS AT COP 27, PART 1

BONN CLIMATE CONFERENCE OUTCOMES

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ABOUT

The 56th session of the subsidiary bodies Bonn Climate Change Conference took place between 6 and 16 of June 2022 with progress made towards this year’s 27th Conference of the Parties (COP 27) to the United Nations Framework Convention on Climate Change (UNFCCC) in Sharm El Sheikh, Egypt. COP 27 is preceded by COP 26, which was hosted by the United Kingdom in Glasgow, and saw the completion of the Paris Rulebook through the Glasgow Climate Pact.

Thus far, 2022 has demonstrated global scientific consensus on the need for CCS in mitigation pathways to 1.5°C in the latest Intergovernmental Panel on Climate Change (IPCC) Working Group III Report “Mitigation of Climate Change” released in April. The Institute unpacked the details of the IPCC’s findings in [a briefing note](#) released shortly after.

The Institute was on the ground in Bonn as a non-Party stakeholder, identified as an “Observer” in the UNFCCC, to experience the negotiations as they unfold, engage in discussions at the appropriate forums and liaise with delegates and participants. This report is the first of a series in which we provide a closer look into what we find, what it could mean for CCS, and how we are participating in the conversation within the international climate policy arena.

BONN OUTCOMES

Currently, the areas which are most relevant for CCS in the international climate negotiations are the Global Stocktake (GST) of the Paris Agreement as well as in Article 6 negotiations. For the GST, CCS experts can play a role in the technical conversations with Parties and non-Parties by means of informal discussions and roundtables which can feed into country Nationally Determined Contributions (NDCs). For Article 6, how CCS methodologies will be carried over from the Clean Development Mechanism (CDM) is in question. The outcomes of what happened in Bonn on these two agenda items and their relevance to CCS are further described below.

THE GLOBAL STOCKTAKE

The GST is a process for taking stock of the implementation of the Paris Agreement with the aim to assess the world’s collective progress towards achieving the purpose of the agreement and its long-term goals. The GST is intended to increase the ambition of actions and support for collectively addressing climate change, with outputs consisting of key political messages and recommendations, best practices, new opportunities and lessons learned. Given the timing of the GST completing its work before a new cycle of NDCs, they allow for Parties to take these outcomes into their consideration and when formulating and submitting their next NDC.

We are currently in the first cycle of the GST which will run until 2023 and will be repeated every five years thereafter. The co-facilitators for this cycle are Farhan Akhtar (United States) and Harald Winkler (South Africa).

ARTICLE 6

Article 6 of the Paris Agreement clarifies how voluntary international carbon markets involving governments should function, supporting the transfer of emission reduction between countries in the implementation of their NDCs. At COP 26, the rules related to Article 6 were adopted after years of dramatic negotiations. According to the International Emission Trading Association, Article 6 has the potential to halve the cost of implementing NDCs, saving an estimated \$250 billion/year by 2030¹. CCS plugs into Article 6 as an emissions reduction technology and carbon removal technology by means of:

Article 6.2	Article 6.4
Internationally Transferred Mitigation Outcomes (ITMO) accounting	Voluntary mechanism for countries and private sector to trade emissions

Given the bottom-up approach of the Paris Agreement, whether or not Parties will include CCS in their Article 6 activities will be at their discretion, with issues on the horizon being focused on how they can account for CCS in their GHG inventories (Article 6.2) as well as the transfer of existing CCS methodologies from the Clean Development Mechanism (CDM), the previous and fading emissions trading mechanism under the Kyoto Protocol (Article 6.4). An in-depth look at the role of CCS in Article 6 is found in this [brief](#) by The Institute.

The Subsidiary Body for Scientific and Technological Advice (SBSTA) is mandated to operationalize Article 6. Article 6.2 is co-facilitated by Kuki Soejachmoen (Indonesia) and Peer Stiansen (Norway) while the co-facilitators for Article 6.4 are Kate Hancock (Australia) and Mandy Rambharos (South Africa).

“The Global Stocktake (GST) has given experts and non-Party stakeholders the ability to engage with Parties towards developing a shared understanding of the latest information on the implementation of the Paris Agreement”

¹ https://www.ietat.org/resources/Conferences_Events/COP25/IETA%20COP25%20Guide%20to%20Article%206.pdf

OUTCOMES TABLE

	WHAT HAPPENED IN BONN?	CCS INSIGHTS	WHAT'S NEXT?
Global Stocktake	The Technical Dialogue (TD) roundtables saw conversations among Parties, experts and non-Party Stakeholders over three thematic roundtable sessions – mitigation, adaptation and means of implementation. Visuals of the outcomes from the technical dialogue mitigation roundtable, the most directly relevant to CCS, are shown in the Annex of this report. The informal World Café involved participants in a dynamic setting to explore topics across the scope of the GST's thematic areas and included relevant experts, Parties, constituted bodies, observer organizations and other non-Party stakeholders. The thematic areas identified relevant for CCS were energy transitions and technology development.	The Global CCS Institute participated on behalf of the Business, Industry and Non-Governmental Organizations (BINGO) constituency in the GST. The IPCC Working Group III report special event included CCS “where necessary”. The Kingdom of Saudi Arabia was a vocal supporter of CCUS. Questions on CCS were raised by some of the members of the Small Island Developing States (SIDS). Australia is interested in learning about the decarbonization of the electricity sector from private sector members in upcoming roundtables. The United States would like to identify opportunities for near term-action focusing on specific sectors.	The co-facilitators are to submit their first summary report of the discussions, where they are encouraged to engage with non-Party stakeholders after publishing the report. GCCSI is planning to engage with the co-facilitators on this publication. The co-facilitators are to design the second meeting of the TD to be held in Sharm El Sheikh. GCCSI is exploring ways to further integrate CCS in the thematic discussions. Call for inputs by Parties and non-Party stakeholders by early August 2022 for consideration at the second meeting of the TD. GCCSI is planning a submission that discusses technical contributions of CCS and best-practices. Party and non-Party stakeholders are encouraged to hold events at the local, national, regional and international level, as appropriate, in support of the GST.
Article 6.2	The negotiations began with a foundation of submissions from Parties as well as informal reports of the technical workshops held intersessionally. An informal note was prepared by the co-facilitators that captured the views of the Parties for consideration at COP 27.	The informal notes include contrasting Party views on emissions avoidance, a yet undefined activity, and whether they could be eligible for generating credits under the Article 6 mechanisms. This may be interpreted as relevant to carbon removals, which are often seen in contrast to avoidance.	Parties and observer organizations are invited to submit views on any of the elements discussed by 31 August 2022. The secretariat is to prepare a technical paper on guidelines, tables, registry infrastructure and the connection between the registry and the Article 6.4 mechanism. The organization of a virtual technical workshop followed by an in-person technical workshop with the possibility of virtual participation before COP 27. The SBSTA Chair, Tosi Mpanu Mpanu (Democratic Republic of the Congo) is to prepare an informal document based on the work to form the basis for negotiations in COP 27.
Article 6.4	An informal note was prepared by the co-facilitators that captured the views of the Parties on possible recommendations to COP 27. Before the week closed, the UNFCCC confirmed nominations of the Supervisory Body that oversees the established mechanism, with a formal meeting to take place in the coming weeks to launch its operations.	The Supervisory Body is responsible for the development and/or approval of methodologies and standardized activity baselines for 6.4 activities, which is significant when considering existing CDM methodologies for CCS project activities. The Supervisory Body is made up of 12 representatives from Parties to the UNFCCC: two members from each of the five UN regional groups (African Group, Asia-Pacific Group, Eastern Europe States Group, Group of Latin America and Caribbean and Group of Western Europe and Other States), one member from the Least Developed Countries and one member from the Small Island Developing States.	Parties and observer organizations are invited to submit views by 31 August 2022, including on responsibilities of the Supervisory Body. The secretariat is to prepare six technical papers on the transition of activities from the CDM, use of certified emission reductions towards NDCs, reporting, operation of the mechanism registry, share of proceeds to cover administrative expenses and assistance to developing country Parties that are particularly vulnerable to the effects of climate change, and delivering overall mitigation in global emissions. The organization of a series of virtual technical workshops followed by an in-person technical workshop with the possibility of virtual participation. The SBSTA Chair is to prepare an informal document based on the work to form the basis for negotiations in COP 27.

TOWARDS COP 27

The GST has given experts and non-Party stakeholders the ability to engage with Parties towards developing a shared understanding of the latest information on the implementation of the Paris Agreement. With CCS included in mitigation pathways to limit warming to 1.5°C in the latest IPCC report, it is timely and relevant for GCCSI experts and other industry members to engage in technical discussions on the latest on CCS technologies happening on the ground in real-time.

When it comes to a global carbon trading mechanism, the road to Sharm El Sheikh includes a significant amount of intersessional work, requests for technical papers and workshops over the coming months. These should be able assist countries in reaching an agreement at COP 27 on Article 6.2 and 6.4, with the former generally expected to move faster than the latter (though one can never know for sure). With voluntary carbon markets booming worldwide, governments will indeed need to catch up to join a maturing marketplace. The *CCS+ Initiative*, in which the Institute is involved as part of the Advisory Group, is certainly working to unlock and scale-up CCS related climate action in carbon markets, with an initial focus on project-based methodologies for the voluntary carbon market and eventually, Article 6.

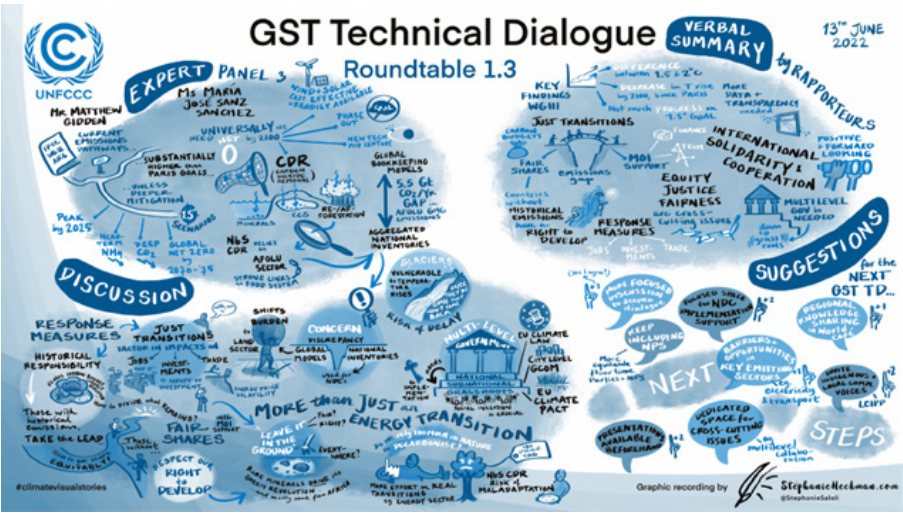
Along with the intersessional workshops, NDC updates as well as upcoming global events in the coming months can be expected to shape further developments in the negotiations. The planned run-up to COP 27 is as follows:

Event	Date
Petersberg Climate Dialogue	TBC
G7 Summit, Schloss Elmau	26 – 28 June
Clean Energy Ministerial, Pittsburgh	21 – 23 September
UN 77th General Assembly	13 – 27 September
New York Climate Week	19 – 25 September
G20 Summit, Bali	15 – 16 November
Pre-COP 27, Democratic Republic of the Congo	TBC
COP 27, Sharm El-Sheikh	6 – 18 November

Following such events, the Institute will continue to provide updates on international climate policy and its implications on CCS, as they happen, through this series.

ANNEX

Technical Dialogue 1 Visual Art, with CCS and CDR references in Roundtable 1.3, Expert Panel 3.





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