

Capacity building for early implementation of Article 6: Experiences from the Mutual Learning Program for Enhanced Transparency based on the JCM

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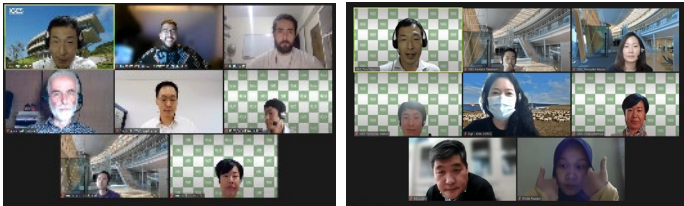
Mutual Learning Program for Enhanced Transparency (MLP)

Purpose

- Understand how to apply the reporting guidance under Art. 6 and 13
- Explore improvement areas of next reporting
- Strengthen a network of institutions & individuals working on Art. 6&13 reporting

Activity & output

- 3 meetings & 2 reporting exercises
- Draft reporting on Art 6 and 13



Participants and topics in 2021-2022

Art. 6:

1. Chile (Article 6 Taskforce) – Thailand (TGO) – IGES

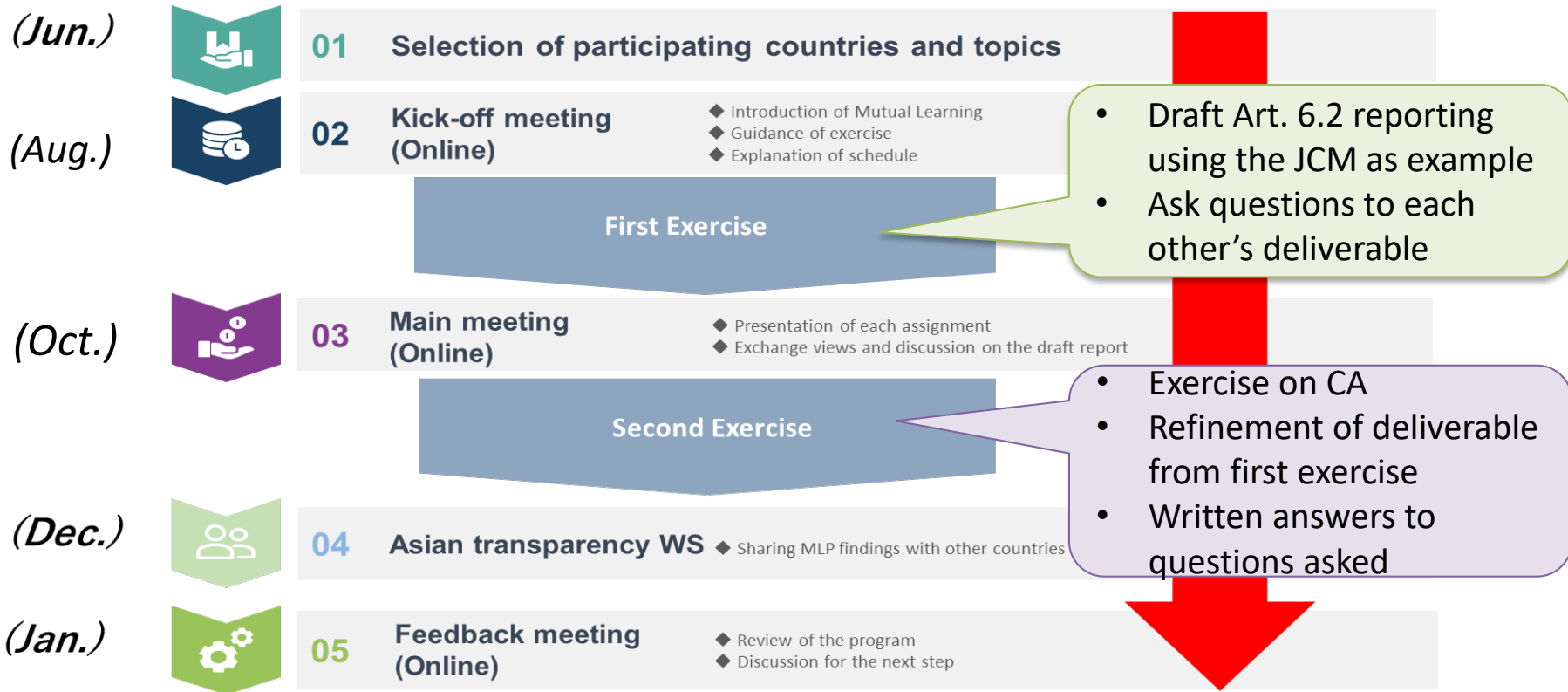
2. Indonesia (CMEA, MOEF) – Mongolia (MET)

Art. 13:

3. Indonesia (MOEF) – Thailand (PCD) – IGES

TGO: Thailand Greenhouse Gas Management Organization
CMEA: Coordinating Ministry for Economic Affairs of Indonesia
MOEF: Ministry of Environment and Forestry of Indonesia
MET: Ministry of Environment and Tourism of Mongolia
PCD: Pollution Control Department of Thailand

Overview in 2021-2022



JCM: Joint crediting mechanism, CA: Corresponding adjustments

Exercise 1: Draft hypothetical Art. 6.2 reporting using the JCM as an example

I. Initial report (submission year: 2023).
18. Each participating Party shall submit an Article 6, paragraph 2 initial report (initial report) no later than the time of providing or receiving <u>authorisation</u> or initial first transfer of ITMOs from a cooperative approach and where practical, in conjunction with the next due biennial transparency report pursuant to decision 18/CMA.1 ² for the period of NDC implementation. The initial report shall contain comprehensive information to:
(a) Demonstrate that the participating Party fulfils the participation responsibilities referred to in chapter II (Participation) above;
II. Participation
4. Each participating Party shall ensure that:
(a) It is a Party to the Paris Agreement;
Japan accepted the Paris Agreement in November 2016. ³
(b) It has prepared, communicated and is maintaining an NDC in accordance with Article 4, paragraph 2 of the Paris Agreement and decision 4/CMA.1;
Japan communicated the updated NDC in accordance with Article 4, paragraph 2 of the Paris Agreement and decision 4/CMA.1 in 2021 ⁴ , which Japan is maintaining in 2023.
(c) It has arrangements in place for authorizing the use of ITMOs towards NDCs pursuant to Article 6, paragraph 3 of the Paris Agreement;
Japan authorizes JCM credits issued for emission reductions/sequestration realized on or after January 1, 2021 as a Party to the Paris Agreement, in accordance with the Paris Agreement and related decisions, for use towards the achievement of Japan's NDC and for use in international emission reduction schemes, in accordance with the procedures described below, when those JCM credits are authorized for use by implementing entities. ⁵
The line ministries of JCM implementation establish a council for the purpose of implementing JCM in accordance with the Paris Agreement and related decision documents, as well as bilateral documents for JCM implementation, and rules and guidelines adopted by the Joint Committee (JC) established based on the bilateral document. The council authorizes JCM credits as a Party to the Paris Agreement. ⁶ The JC will serve as a forum for relevant coordination (e.g., corresponding adjustment).

Discussion points

- Understanding of Art. 6 terminologies in the context of the JCM
 - JCM credits issued for partner (host) countries ≠ ITMOs
 - “use”, “holding” and “(first) transfer”
- Institutional arrangements (IA) for authorization
 - IA for CDM can be a basis.
 - The role of the Joint Committee (JC) under the JCM
- Arrangements for tracking JCM credits
 - National registry system records both domestic and international credits.
 - JCM registry system

Exercise 2: Hypothetical CA using different approaches

CA to be reported by an **Acquiring Party** in regular information as part of **BTR1** to be submitted in 2024:

Year	2021	2022	2023	2024	Cumulative
ITMOs transferred from a Transferring Party to an Acquiring Party	0	0	1,000	-	1000
Vintage	500	500	-	-	1000
Single year target in 2030					
Trajectory					
Difference of (annual emissions and removals) - (indicative emissions trajectory)	500	450	-	-	950
1: ITMOs used in the year of first transfer (immediate use)	-500	-450	-	-	-950
Average					
2: ITMOs used in the NDC target year (cumulative use)	0	0	-	-	0
3: ITMOs used in the year of first transfer (immediate use)	(-500)	(-500)	-	-	(-1000)

- Trajectory: *Whether/how much the year in which ITMOs are used should be linked with their vintage?*
- Latest year to be reported: *Whether CA should be reported up to the latest year reported in GHG inventories (i.e. X-2)?*
- Timing to use ITMOs: *Whether indicative CA for average approach is required only for "used" ITMOs?*

For future implementation of MLP

- More realistic exercise and discussion based on adopted reporting guidance
- Improving understanding on Art. 6 implementation through practical reporting exercises as well as sharing ideas and experiences with JCM partner countries
- Sharing good practices and key findings with other stakeholders

Thank you for your attention.

<https://www.iges.or.jp/en/projects/transparency>

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