

Possible options of reporting under Article 6.2 in current draft text*

Learning from Mutual Learning Program for Enhanced Transparency between TGO and IGES (Part 1)

December 15, 2020

Asian Transparency Workshop, Day 2

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Outline

1. How JCM process might look like in the context of Article 6.2
2. Overview of reporting under Article 6.2
3. Possible options for:
 1. Reporting schedule
 2. Arrangements for authorization
 3. Quantity of ITMOs applied for corresponding adjustments

Disclaimer

This PPT is developed based on the author's understanding of the draft guidance of Article 6 paragraph 2 of the Paris Agreement (Article 6.2), based on the Mutual Learning Program for Enhanced Transparency using the Joint Crediting Mechanism (JCM) as an example. It does not represent the ideas of the Ministry of the Environment, Japan.

For example, the options of reporting in this PPT are based on the author's understanding on the draft guidance of Article 6.2.

We expect discussions using this PPT will facilitate better understanding of the possible reporting under Article 6.2.

Mutual Learning Program for Enhanced Transparency between TGO and IGES

Jul. 13th

1

Kick-off meeting

1st Exercise
(Draft reporting under
A6.2 using the JCM)

Sep. 25th

2

Main meeting

2nd Exercise
(Improvement of
drafted reporting)

Nov. 13th

3

Last meeting

Mutual Learning Program for Enhanced Transparency
Reporting under Article 6.2
First Exercise: Draft reporting of Initial report, Annual information and Regular information

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Sheet 2: 2-2: Annual information - Case 2 ⇒ Case 2: Calculation based on fiscal year (FY)
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Purpose

This document is developed for the purpose of Mutual Learning Program for Enhanced Transparency to enhance the understanding of future reporting under Article 6 among participants through drafting in accordance with the latest draft decision text on Article 6 paragraph 2 and sharing the experiences in preparation.

*Draft CMA decision on guidance on cooperative approaches referred to in Article 6, paragraph 2 of Agreement, Proposal by the President, Version 3 of 15 December 00:50 hrs.

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Acknowledgements

The authors would like to thank Mr. Takashi Morimoto, Chief Analyst, Mitsubishi UFJ Research and C
for reviewing.

Last update on
August 31, 2020.

Mutual Learning Program for Enhanced Transparency
Tracking exercise on reporting under Article 6.2

**Drafting Exercise on potential elements which may be included in
Article 6.2 reporting**

I. Thailand's Article 6, paragraph 2 initial report

A. Fulfillment of participation responsibilities

1. Implementation of the Paris Agreement¹

Thailand ratified the Paris Agreement on 21 September 2016. [Pursuant to Decision 1/CP.21 and taking into consideration Decision 4/CMA.1, Thailand communicated the updated nationally determined contribution on XX which was recorded and is being maintained in the (interim) NDC Registry.] Thailand provided the most updated national greenhouse gas inventory with the latest reporting year of [2016] in the third biennial update report submitted on XX December 2020.]

2. Arrangements for authorizing the use of ITMOs towards NDCs pursuant to Article 6, paragraph 3 of the Paris Agreement

Engagement in a cooperative approach referred to in Article 6, paragraph 2, of the Paris Agreement is subject to the national procedure and arrangement for considering and approving international cooperation as per relevant law and regulations. Authorization of the use of ITMOs generated from the approved cooperative approach towards NDCs of participating Parties pursuant to Article 6, paragraph 3 of the Paris Agreement is provided in accordance with the cooperative instrument, rules and procedures governing such cooperative approach.

2.1 Joint Crediting Mechanism (JCM) between Thailand and Japan

The Cabinet approved the bilateral cooperation on the Joint Crediting Mechanism (JCM) between Thailand and Japan on 13 October 2015 which came into effect on 19 November 2015. Both sides established the Joint Committee to operate the JCM. In accordance with the Rule of Implementation for the JCM, the Joint Committee decides and notifies each side of the allocation of the JCM credits determined by the project participants based on their contributions to GHG emission reductions or removals through the JCM project.

[3.2 any other cooperative approaches]

3. Arrangements for tracking ITMOs

For the purpose of tracking emission reductions and removals from authorized programs and cooperative approaches, the Thailand Carbon Credit Registry assigns unique serial identifiers and records transactions including transfers, acquisitions, cancellations and uses of generated emission units.

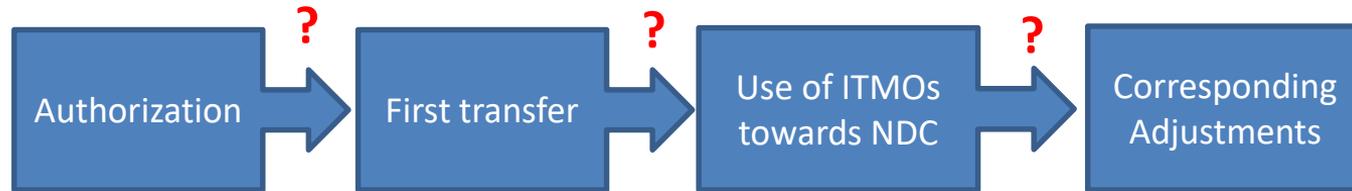
¹ This subsection refers to participation responsibilities in paragraph 4 (a), (b) and (c) of the draft guidance.

Disclaimer: This document and information provided herein does not have any official status and shall be used solely for the purpose of technical exchange and exercise between TGO and IGES as part of the Mutual Learning Program on Enhanced Transparency Framework (July – December, 2020).

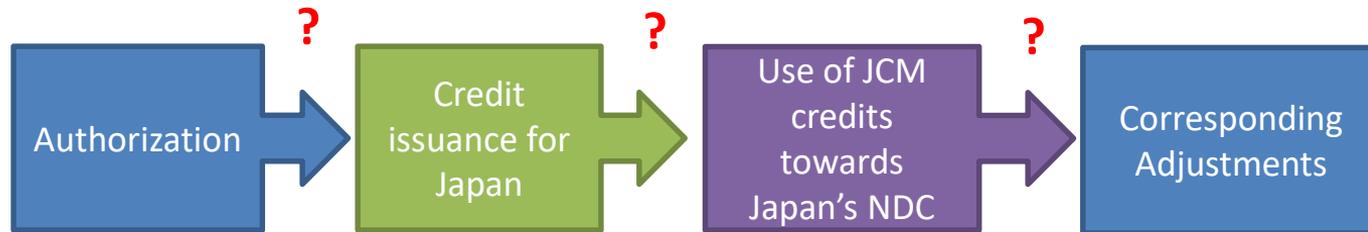
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How JCM process might look like in the context of Article 6.2 (Simple picture)

Article 6.2

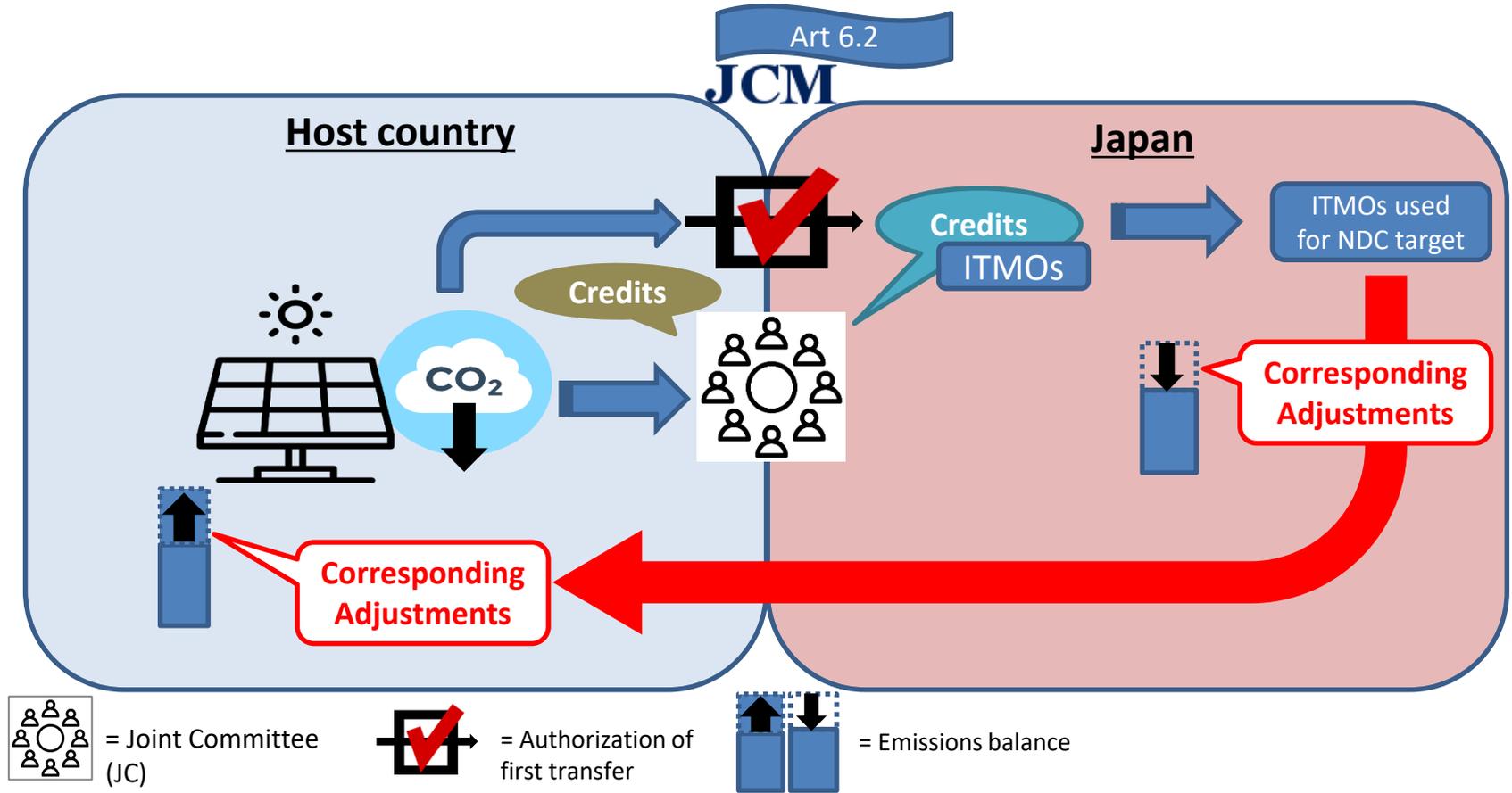


Ex. JCM



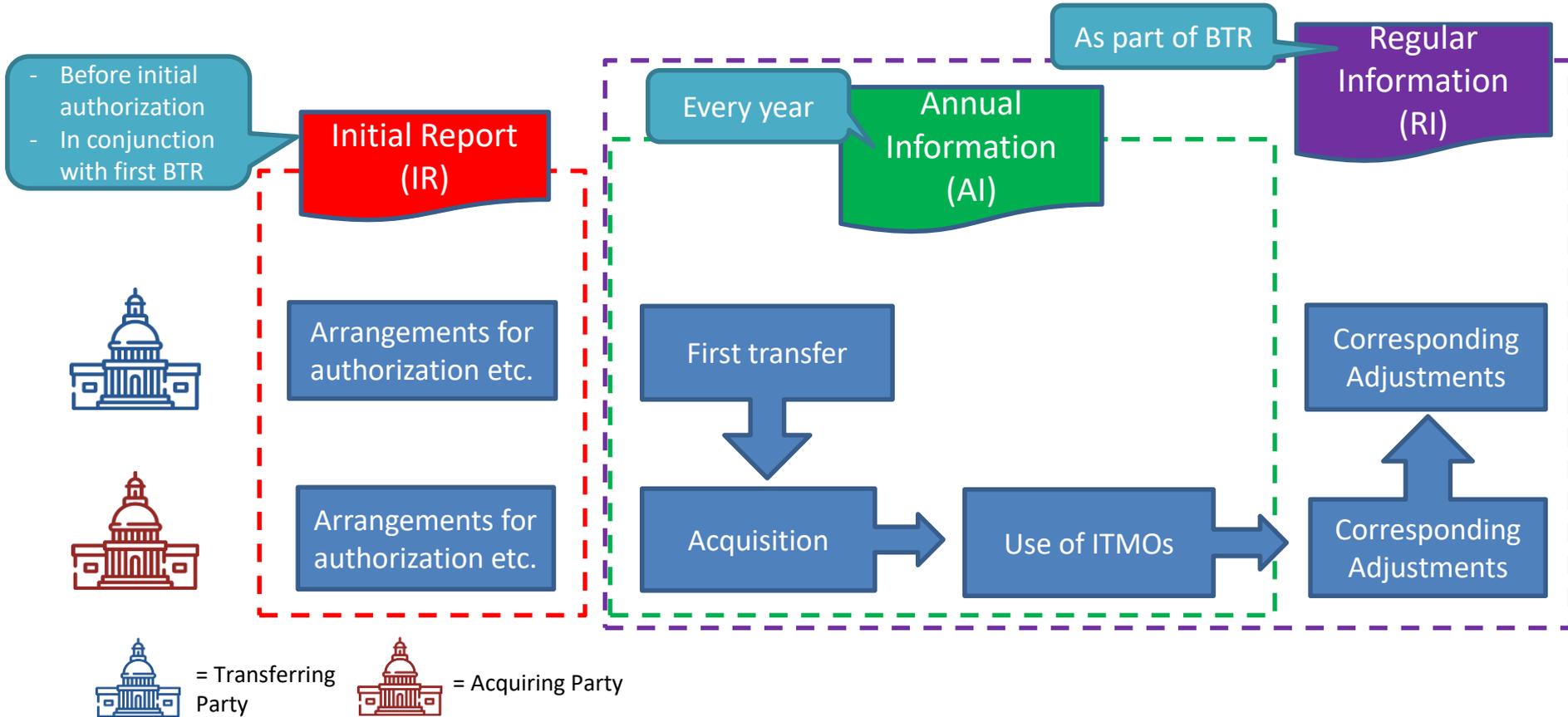
*Author's understanding based on the discussions from the Mutual Learning for Enhanced Transparency using the JCM as an example

How JCM process might look like in the context of Article 6 (More comprehensive picture)



*Author's understanding based on the discussions from the Mutual Learning for Enhanced Transparency using the JCM as an example

Overview of Art 6.2 reporting in current draft text



*Author's understanding based on the discussions from the Mutual Learning for Enhanced Transparency using the JCM as an example

Possible reporting schedule (general)

Submission year	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
IR	?	← ✓ →	?								
AI				✓	✓	✓	✓	✓	✓	✓	✓
RI			?		✓		✓		✓		✓
			BTR1		BTR2		BTR3		BTR4		BTR5

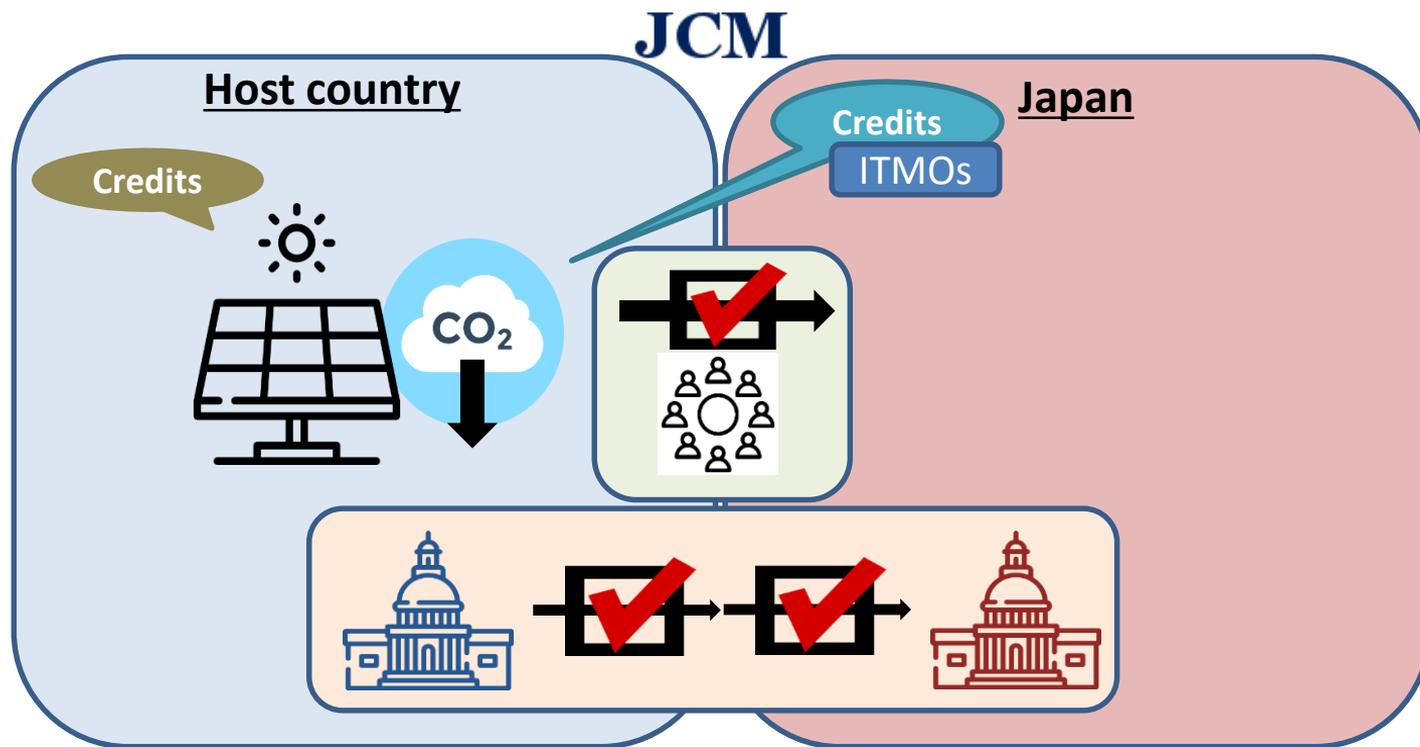
IR: Initial report
 AI: Annual information
 RI: Regular information

Assumptions:

- Initial first transfer is made in 2023.
- When submission year is X, information on ITMOs from X-2 years are reported in AI and RI.
- The first BTR is submitted in 2024. Information on ITMOs can be included only from the second BTR.
- The fifth BTR is used for assessing the achievement of its NDC.

**Author's understanding based on the discussions from the Mutual Learning for Enhanced Transparency using the JCM as an example*

Possible options: governance of authorization (e.g. bilaterally by JC, or unilaterally by each government)



 = Authorization of first transfer

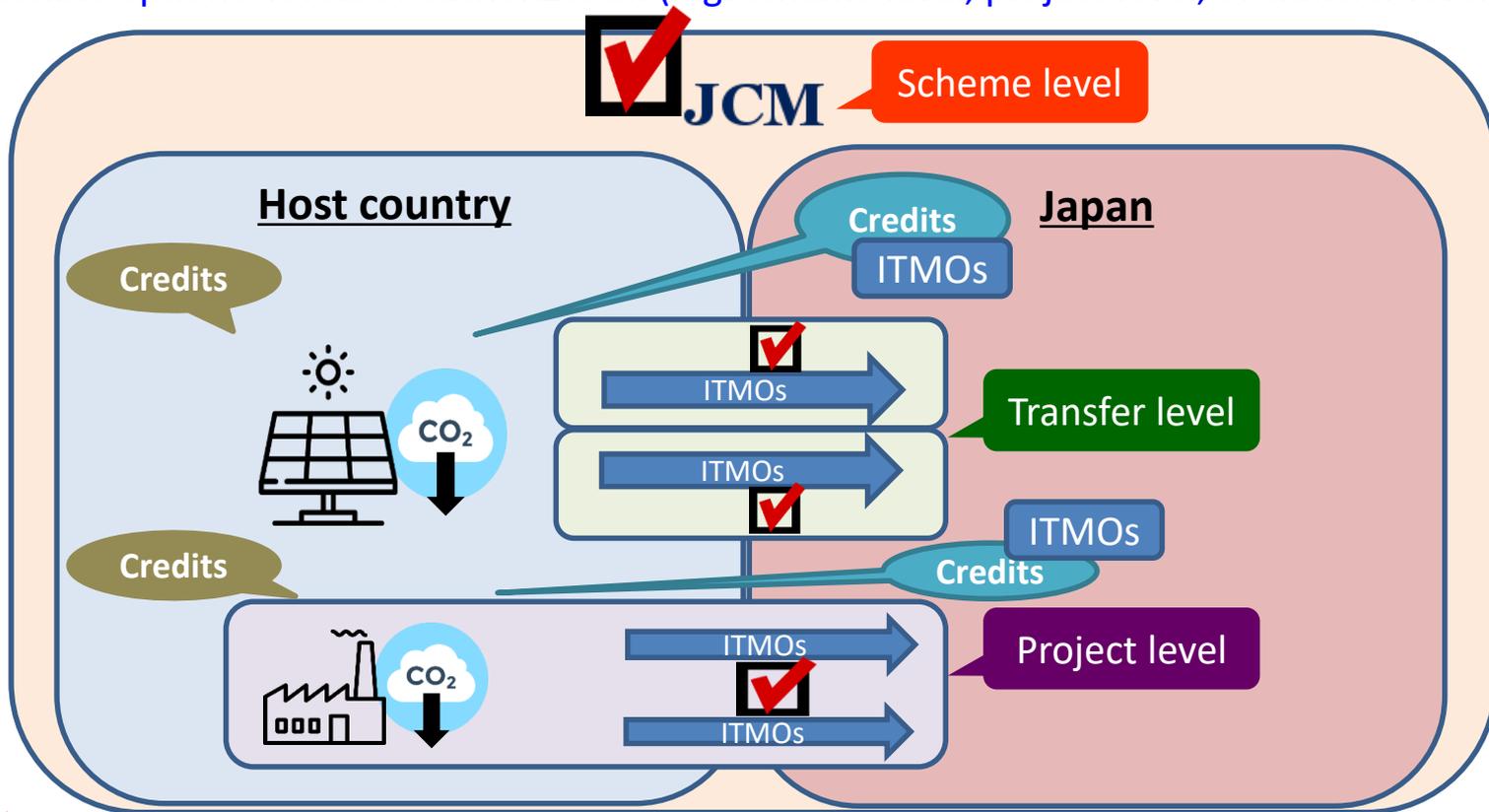
 = Joint Committee (JC)

 = Government of Host Country

 = Government of Japan

**Author's understanding based on the discussions from the Mutual Learning for Enhanced Transparency using the JCM as an example*

Possible options: levels of authorization (e.g. scheme level, project level, or transfer level)



= Authorization of first transfer

*Author's understanding based on the discussions from the Mutual Learning for Enhanced Transparency using the JCM as an example

Possible options: Quantity of ITMOs applied for corresponding adjustments (1)

Data of JCM credits issued for Japan from a hypothetical JCM project (tCO2)

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Cumulative
Mitigation Outcomes	11	9	10	9	10	11	11	10	9	10	-	100
Amount of credits issued / first transferred	-	-	20	-	-	-	-	-	-	-	80	100

Hypothetical Regular Information reported in 2032 as part of BTR5

Option 1: Vintage year

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Cumulative
	100/10	100/10	100/10	100/10	100/10	100/10	100/10	100/10	100/10	100/10	-	100
	-100/10	-100/10	-100/10	-100/10	-100/10	-100/10	-100/10	-100/10	-100/10	-100/10	-	-100

Assumption:

- The hypothetical JCM project has an implementation period of 10 years from 2021 to 2030.
- Credits are issued in 2023 and 2031, and issuance of credits are treated as first transfer.
- Both Parties have single year NDC target in 2030 with implementation period of 10 years.
- Both Parties use average method for corresponding adjustment.



= Transferring Party



= Acquiring Party

*Author's understanding based on the discussions from the Mutual Learning for Enhanced Transparency using the JCM as an example

Possible options: Quantity of ITMOs applied for corresponding adjustments (2)

Data of JCM credits issued for Japan from a hypothetical JCM project (tCO2)

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Cumulative
Mitigation Outcomes	11	9	10	9	10	11	11	10	9	10	-	100
Amount of credits issued / first transferred	-	-	20	-	-	-	-	-	-	-	80	100

Hypothetical Regular Information reported in 2032 as part of BTR5

Option 2: First transfer year

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Cumulative
	?	?	?	?	?	?	?	?	?	?	-	100
	?	?	?	?	?	?	?	?	?	?	-	-100

Assumption:

- Same as Option 1

 = Transferring Party

 = Acquiring Party

*Author's understanding based on the discussions from the Mutual Learning for Enhanced Transparency using the JCM as an example

Thank you for your attention

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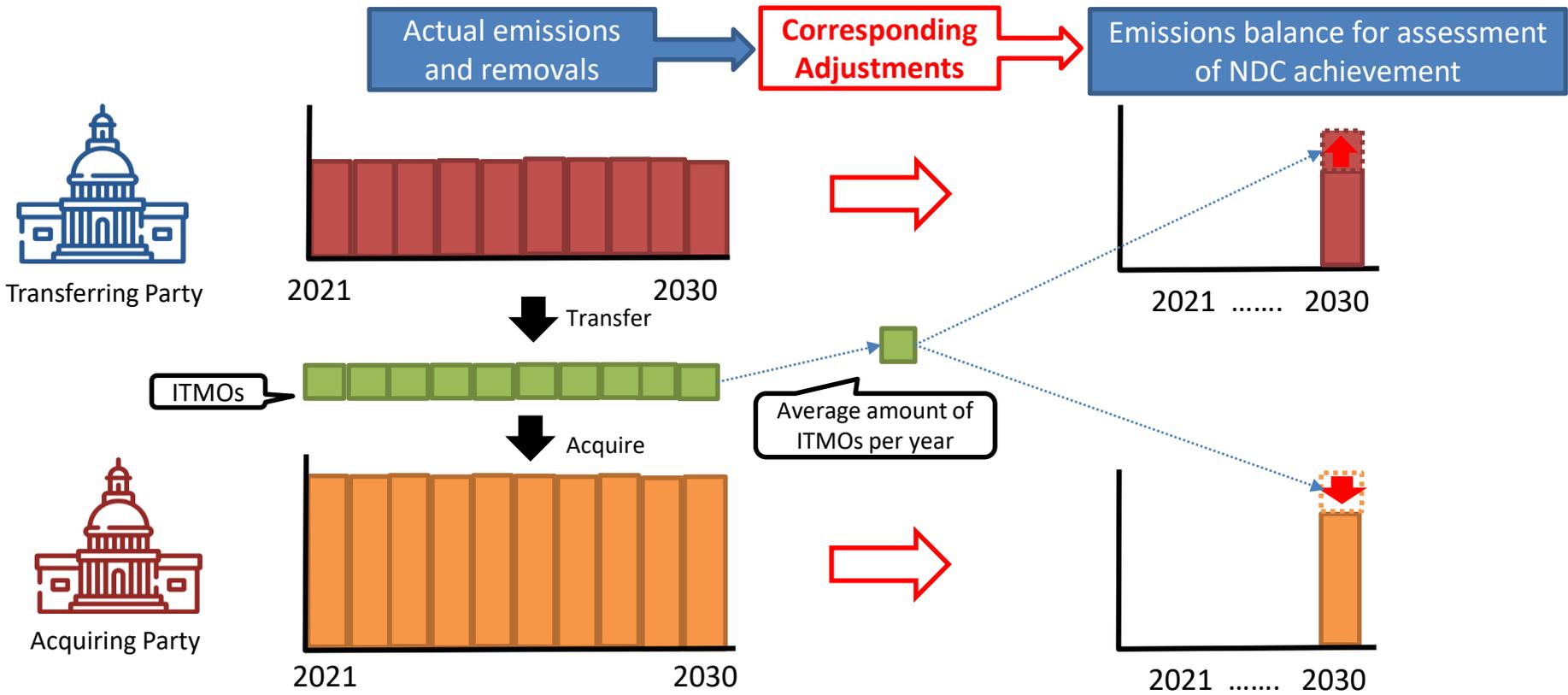
Annex

Article	6.2			13	
Type of Report	Initial report	Annual information	Regular information	BTR	NIR
Reporting items (relevant to A62 reporting)	<ul style="list-style-type: none"> - Information on cooperative approaches - ITMO metrics and method for CA 	Information on ITMOs	<ul style="list-style-type: none"> - Information on cooperative approaches - Annual information report 	Information to track progress made in implementing and achieving NDCs	emissions and removals of GHGs
Reporting format	<ul style="list-style-type: none"> - Independent report - Part of BTR 	Article 6 database via agreed electronic format	Part of BTR	<ul style="list-style-type: none"> - Common tabular format - Structured summary 	Common reporting table
Timing of report	<ul style="list-style-type: none"> - No later than the time of providing or receiving authorization or initial first transfer of ITMOs - In conjunction with first BTR 	Annually	Every two years from 2024	Every two years from 2024	Every two years from 2024

Reporting items		IR	AI	RI
1	Fulfilment of participation requirements (NDC, arrangements for authorization and tracking ITMOs, NIR)	✓		✓
2	Information required in para 64 of the annex to 18/CMA. 1 under Article 13 (NDC)	✓		
3	ITMO metrics and method for corresponding adjustments (CA)	✓		
4	Mitigation information in NDC in tCO ₂ eq, including sectors, sources, GHGs and time periods covered by NDC; or methodology for the quantification of the NDC in tCO ₂ eq	✓		
5	Description of cooperative approach including expected mitigation	✓		
6	Information on authorization of first transfer and use of ITMOs towards NDCs and other international mitigation purposes (OIMP)			✓
7	How CA are representative of progress towards NDC and ensure participation does not lead to a net increase in emissions			✓
8	How to ensure that ITMOs acquired and used towards NDC or OIMP will not be further transferred, cancelled or used			✓
9	How to contribute to mitigation of GHG emissions and implementation of NDC			✓
10	How to ensure environmental integrity			✓

	Reporting items	IR	AI	RI
11	How to measure mitigation outcomes in accordance with the methodologies and metrics by the IPCC			✓
12	Consistency with Sustainable Development objectives of the host Party			✓
13	Annual and cumulative emissions and removals from the sectors and GHGs covered by NDC			✓
14	Annual and cumulative quantity of ITMOs first transferred, used towards NDC and OIMP , specifying the cooperative approach, sector, transferring Party, using Party and vintage of the ITMOs		✓	✓
15	First transfer , transfer, acquisition, holdings, cancellation, voluntary cancellation		✓	
16	Annual emissions balance consistent with application of CA			✓
17	Application of the necessary CA and assessment of achievement of the NDC in BTR that contains the end year of the NDC period			✓

Corresponding adjustments require Transferring party to add the quantity of ITMOs to its emissions balance, while Acquiring party subtracts the same quantity



Assumption:
Both Parties have single year NDC target in 2030 and use average method for corresponding adjustment.

*Based on author's understanding based on the discussions from the Mutual Learning for Enhanced Transparency using the JCM as an example