Japan’s submission on the work related to Methodological issues under the Paris Agreement (SBSTA Agenda item 11)

November 2019

###### **Introduction**

Japan welcomes the invitation to submit views on the matters related to the transparency framework under the Paris Agreement in accordance with the SBSTA50 conclusions (FCCC/SBSTA/2019/2, paragraph 125), and Japan submits its views, including on:

1. Experience with using the IPCC *2006 IPCC Guidelines for National Greenhouse Gas Inventories*, the common reporting format, the transition to the *2006 IPCC Guidelines for National Greenhouse Gas Inventories* and countries’ experience with that transition, and the development of country-specific tools for facilitating GHG inventory reporting;
2. Common tabular format tables for tracking progress in implementing and achieving nationally determined contributions;
3. Tables for reporting on support needed and received, and support mobilized;
4. Approaches to operationalizing the flexibility for those developing country Parties that need it in the light of their capacities, as defined in decision 18/CMA.1.

###### **View on each matter**

1. **Experience with using the Intergovernmental Panel on Climate Change 2006 IPCC Guidelines for National Greenhouse Gas Inventories, the common reporting format, the transition to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories and countries' experience with that transition, and the development of country-specific tools for facilitating greenhouse gas inventory reporting, and other related matters**

* In Japan's case, preliminary estimations of the changes in emissions due to the application of the 2006 IPCC Guidelines were made and results were shared among people involved in the GHG inventory before the COP decision was taken to apply the 2006 IPCC Guidelines. The process to officially prepare to apply the 2006 IPCC Guidelines started in 2012 under the Committee for Greenhouse Gas Emissions Estimation Methods that considers and determines the methodology for emission estimation for Japan’s national GHG inventory. This followed the temporary decision taken on the UNFCCC inventory reporting guidelines (including the CRF tables) at COP17 (2011), which determined the use of the 2006 IPCC Guidelines. In order to gain the cooperation of stakeholders, notification of the changes and various consultations were also held. As regards the 2006 IPCC Guidelines itself, it provides more extensive guidance than the Revised 1996 IPCC Guidelines and Good Practice Guidance (GPG) and was comprehensive and easy to use.
* In preparing the CRTs for GHG inventories that will be commonly used by all Parties, the CRF tables for annual GHG inventories for Annex I Parties (including Sectoral Background Data Tables) should be the starting point of discussions, so as to maintain the quality of reporting under the current MRV framework, as specified in paragraph 3(f) of the MPGs (1/CMA.18, Annex).
* The National Inventory Report (comprised of the National Inventory Document and the Common Reporting Tables) under Article 13 of the Paris Agreement is a technical document that reports and explains quantitative and qualitative information on the GHG inventory internationally, but also domestically. It will mainly be prepared by a technical team inside each country and will be improved continuously. This document will collectively contain quantitative and qualitative information of the GHG inventory at the time of submission and will not only serve to fulfill reporting obligations under the transparency framework under the Paris Agreement, but will also function as a repository of information on GHG inventory preparation even when the members of the technical teams change.
* The Sectoral Background Data Tables in the current CRF tables are useful as a tool to collectively record detailed information on the estimation of emissions and removals. When using the 2006 IPCC Guidelines’ worksheets or IPCC Inventory Software to estimate emissions and removals, data necessary to fill out the Sectoral Background Data Tables should be already available at hand, and therefore entering this data into the Tables would be relatively easy. It should also be noted that since Parties are required to report emissions and removals at the most disaggregated level in accordance with paragraph 47 of the MPGs, reporting of data contained in the Sectoral Background Data Tables is essential. Additionally, reporting of information in the Sectoral Background Data Tables is very useful in that they contain the details of the estimation methods for emissions and removals for each emission source and removal sink, and this will be useful in identifying specific capacity-building needs during the technical expert review under the transparency framework. In addition to the cell structure of the tables, the current CRF tables have been useful in providing guidance through the footnotes on how to deal with complicated issues in GHG inventory reporting. Therefore, footnotes should also be utilized in providing supplemental guidance on reporting in the CRTs.
* When reporting using the CRTs, it would not be desirable to submit with empty cells remaining. All cells should be filled out by using appropriate notation keys. The notation key “NE” (not estimated) would not only indicate the fact that no estimation was made for an emission or removal, but it records an issue for the future improvement. For instance, in Japan’s experience, we used to report “NE” in many cells of the CRF tables due to reasons such as lack of default emission factor, etc. However, we would also list up these “NE” emission sources and removal sinks and prioritize among them, and work to gradually reduce the number over time through literature review and development of country-specific emission factors, etc. Since continuous improvement is an important principle under the transparency framework of the Paris Agreement, it is necessary to clearly keep track of what issues need to be improved in the future, such as emission sources and removal sinks that are currently reported as “NE” and continue to make efforts to improve on them.
* Even though the use of the 2019 Refinement to the 2006 IPCC Guidelines, adopted at the IPCC49 Plenary held in Kyoto in May 2019, will depend on future negotiation outcomes and are not determined at present, options such as being able to add new categories from the 2019 Refinement as drop-downs in the CRTs, should be provided for Parties who wish to voluntarily apply the 2019 Refinement.
* Previously, when the CRF tables corresponding to GPG-LULUCF and the 2006 IPCC Guidelines were prepared, the first version was adopted as a temporary version, and after several years of trial use by Parties, they were checked, and problems were identified. After the problems were fixed, then they were finally adopted. This type of process utilized in SBSTA in the past has proven useful, since when inventory compilers actually start using the tables, issues unforeseen are sometimes identified. It would be useful if a similar approach is adopted this time as well.
* The current CRF tables, that should be the starting point of discussions for the CRTs, have some issues that should be rectified, such as editorial and aggregation errors due to limited time during negotiations of the CRF tables, and issues that call for improvement based on the experience of inventory compilation. Therefore, these issues should be modified in the CRTs.
* The CRTs for the AFOLU sector need to be separated into Agriculture and LULUCF tables, following paragraph 50 of the MPGs. The current CRF provides separate tables for Agriculture and LULUCF, but this was somewhat based on considerations for consistency with the reporting under the first commitment period of the Kyoto Protocol that used GPG 2000 and GPG-LULUCF. Regarding the AFOLU sub-category ‘3.C Aggregated sources and non-CO2 emission sources on land’ in the 2006 IPCC Guidelines, it may be useful to consider re-allocating between Agriculture and LULUCF sectors for GHG emissions from biomass, N2O emissions from managed soil, GHG emissions from the tillage of organic soil, etc.
* Regarding LULUCF-related reporting, reporting that addresses natural disturbance as stated in paragraph 55 of the MPGs and supplemental reporting of emissions and removals from HWPs using the production approach as stated in paragraph 56 of the MPGs are not fully included in the current CRF tables, and therefore this would need to be reflected in the CRTs. As for reporting of emissions and removals from HWPs, it should be possible to choose which approach-based value is used for aggregation for the sector/national totals.

1. **Common tabular format tables for tracking progress in implementing and achieving NDCs**

* Japan believes that all Parties need to report the progress towards the implementation and achievement of their NDCs under Article 4 as transparently as possible under the transparency framework of the Paris Agreement. The common tabular format (CTF) tables for tracking progress made in implementing and achieving NDCs should accommodate all types of NDCs under Article 4, as appropriate. In addition to the reporting of the information in a tabular format, the reporting in narrative form is also helpful to enhance the transparency of the information on the progress towards the implementation and achievement of their NDCs under Article 4.
* The reporting tables for reporting the information required in section III.C (Information necessary to track progress made in implementing and achieving its NDC under Article 4 of the Paris Agreement) of the MPGs should include, at least, the following three tables: i) Methodologies, accounting approaches and definitions of NDC and indicators; ii) Accounting for tracking progress made in implementing and achieving of NDC under Article 4 (Structured summary); and iii) Information on ITMOs. In addition, a reporting table for iv) Information on contribution from LULUCF may be added.
* In the table of i) Methodologies, accounting approaches and definitions of NDCs and indicators, it is important to clearly identify and report indicator(s) for tracking progress toward implementation and achievement of NDCs under Article 4, in accordance with paragraph 65 of the MPGs. Also, it is essential to report the relevant information on NDC under Article 4 and selected indicator(s) in accordance with paragraphs 67 and 71-76 of the MPGs.
* In the table of ii) Accounting for tracking progress made in implementing and achievement of NDCs under Article 4 (Structured summary), the information on the reference point(s), level(s), baseline(s), base year(s), starting point(s) for all selected indicator(s), and the information for previous reporting years as well as the most recent year should be reported in accordance with paragraph 77 of the MPGs. In addition, it is important to clearly indicate net GHG emissions consistent with the coverage of its NDC under Article 4 considering the corresponding adjustments of internationally transferred mitigation outcomes (ITMOs) including emission reductions from the mechanism referred to in Article 6.4 if a Party uses those to achieve its NDC, and the contributions from LULUCF if a Party takes into account contributions from LULUCF separately from other sectors of GHG inventories with a view to tracking progress of its NDC objectively.
* The reporting table for iii) Information on ITMOs should include the reporting of the information prescribed in paragraph 77(d) of the MPG. Additional information or tables may be necessary, and they should be considered and developed under the SBSTA agenda item of “Matters relating to Article 6 of the Paris Agreement”, if necessary. The outcome of its consideration should be incorporated into the CTF after its adoption.
* Regarding the reporting table for iv) Information on contribution from LULUCF, standardized table should be developed and be able to be used in a voluntary basis because it may be necessary to provide disaggregated information by each element (category and activity) for the cases where reference points and baselines are set in each category or activity level.
* The reporting of information on the description of a Party’s NDC (section III.B) should be reported in a tabular form as well. The reporting elements should cover the information referred in paragraph 64(a)-(g) of the MPGs and should also take into account the information required in decision 4/CMA.1, Annex I (information to facilitate clarity, transparency and understanding of NDCs).
* The specific proposals on the reporting tables for description of NDC, Methodology, accounting approaches and definitions of NDC and indicators, Accounting for tracking progress made in implementing and achieving of NDC under Article 4 (structured summary), Information on ITMOs, and Information on contribution from LULUCF are included in the Annex of this document (Excel format).

1. **Tables for reporting on support needed and received, and support mobilized**

* Since the information on financial support mobilized is not covered by existing CTFs, considerations and discussions on the development of reporting tables for the information on financial support mobilized should be prioritized.
* CTFs for the reporting of the information required in Chapter VI (Information on support needed and received) of the MPGs should be considered preferentially, with adequate time for discussion, since there are no formal reporting tables for the existing MRV arrangements under the Convention. The reporting tables to be developed should be strictly in accordance with the reporting elements on support needed and received defined in the MPGs.

1. **Approaches to operationalizing the flexibility for those developing country Parties that need it in the light of their capacities, as defined in decision 18/CMA.1**

* Japan believes that flexibility for those developing country Parties that need it in the light of their capacities does not affect the structures of the reporting tables, and the reporting tables are common and applicable to all Parties. Therefore, approaches to operationalizing the flexibility should not be addressed by the organization and content of tables, but by devising reporting methods such as using notation keys. The application of flexibility should not undermine the robustness of the transparency framework.
* The specific proposal on approaches to operationalizing the flexibility for those developing country Parties that need it in the light of their capacities is as follows.
  + In the reporting cells for the reporting elements to which the flexibility is provided in the MPGs, it clearly indicates that the flexibility is provided in the MPGs by such as coloring the cells, and the corresponding paragraph which provide the flexibility in the MPGs is indicated in the footnote of the tables.
  + If a Party applies the flexibility due to its capacity constraints and does not report the required information, it should use a notation key "NE" and add an asterisk to indicate that the flexibility is being applied (e.g., NE\*).
  + If a Party applies the flexibility in the reporting of GHG inventories due to its capacity constraints, it should provide the explanation that the flexibility is applied in the table for completeness of CRTs (Table 9 of current CRF tables).

###### **View on the next step**

* Technical considerations should be accelerated to reach an agreement at COP26.
* In order to efficiently conduct detailed technical considerations for developing CRT in various sectors of GHG inventories, Japan proposes holding discussions at the expert level divided into (1) energy, IPPU, and wastes, and (2) AFOLU (agricultural and LULUCF), such as technical expert workshop(s) and inf/inf/inf consultations. For those discussions, it is advisable to invite views on specific elements of the reporting tables to be considered from Parties firstly, and to request the secretariat to organize them to make as the input for technical consultation at expert level.
* Revising the informal notes based on the submissions from Parties and discussions is the possible way forward at SBSTA51. Intersessional or pre-sessional expert workshop(s) should be held to deepen discussions on technical issues and to develop a draft of specific reporting tables, and the outcome of the workshop(s) should be input to the discussions at SBSTA52 (June 2020).

###### Annex: Specific proposals on common tabular format for tracking progress made in implementing and achieving NDCs

(Excel format)