

Japan's submission on Article 6, paragraph 2, of the Paris Agreement

October 2022

Introduction

We welcome the invitation from the SBSTA to submit further views on the elements referred to in paragraphs 3, 6, 7 and 10 of decision 2/CMA.3. We present our views on the following issues.

Section A. Electronic format referred to in chapter IV.B of the annex (Annual information) (paragraph 6 of decision 2/CMA.3)

Section B. Guidelines for the reviews pursuant to chapter V of the annex (Review) (paragraph 7 of decision 2/CMA.3)

Section C. Infrastructure, including guidance for registries, the international registry, the Article 6 database and the centralized accounting and reporting platform referred to in chapter VI of the annex (Recording and tracking) (paragraph 10 of decision 2/CMA.3)

Appendix I. Proposed table for reporting annual information

Appendix II. Draft guidelines for technical expert review (TER) for Article 6

A. Electronic format referred to in chapter IV.B of the annex (Annual information) (paragraphs 6 of decision 2/CMA.3)

As the information to be reported in the annual information is quantitative information related to the authorization, transfer of ITMOs, their use towards NDC and other international mitigation purposes, and their supplementary information, reporting by a table format is appropriate and, we propose the following table structure. [Appendix I.](#)

The appended file has three sheets as same as the file we submitted in April 2022, which are “Report Information” sheet, “ITMOs information” sheet and “Holdings, Use and First Transfer” sheet. We revised the latter sheet from the previous version based on the views described below.

“ITMOs information” sheet has all information required by paragraph 20(a) and (b) of the annex to decision 2/CMA.3, on the basis of unique identifiers.

We added a column “Action” in Table 1 for a reporting Party to clearly report what action, such as authorization, transfer, acquisition, cancellation and use, the Party did on what date in the reported year. In this “Action” column, we also added the sub-column to distinguish whether the action is a “first transfer” or not, as a “first transfer” is not necessarily a first international transfer as referred to in paragraph 2 of decision 2/CMA.3.

In addition, a column “Authorization of Reporting Party, where the Party is not the first transferring Party” was added to input information on authorization of reporting Party, including purpose for authorization and date of it.

Other revisions are to enable to give identification number (“Block no.”) for each action, to report information on ITMOs in a non-GHG metric, to refer to evidence of authorization, and to refer to which paragraph of the annex to decision 2/CMA.3 each reporting item is based on.

B. Guidelines for the reviews pursuant to chapter V of the annex (Review) (paragraphs 7 of decision 2/CMA.3)

In light of the need for expediting the tasks for effectively elaborating the guidelines in limited time, We elaborated draft guidelines for technical expert review for Article 6 based on Chapter VII. (Technical expert review) of decision 18/CMA.1., which has the track record of ongoing application under Article 13 (Transparency framework) of the Paris Agreement in the Appendix II, reflecting elements described in Chapter V. (Review) of decision 2/CMA.3.

We would like to highlight major points which made changes from Chapter VII. (Technical expert review) of decision 18/CMA.1.

- The Article 6 technical expert review consists of a desk or centralized review of the consistency of the information submitted by the Party under Chapter IV.A and C of the annex to decision 2/CMA.3.
- Experts for cooperative approach and internationally transferred mitigation outcomes (ITMOs) under Article 6 are articulated as members of the Article 6 technical review team.
- Article 6 technical expert review reports shall be forwarded for consideration by the technical expert review referred to in chapter VII of the annex to decision 18/CMA.1.

Please refer to Table 1 for detailed comparison of the guideline for the technical expert review (TER) for Article 13 and the draft one for Article 6.

In regards to the timeline for TER for Article 6, please refer to Table 2, which suggests the shortest possible timeline for the Article 6 technical expert review that aligns with the Article 13 TER timeline.

Table 1: Comparative table of guidelines for the TER for Article 13 and Article 6

TER for Article 13 (18/CMA.1 para146-188)	TER for Article 6 (Draft)
Scope Article 13	Scope Article 6
Information to be reviewed Information submitted under Article 13, paragraphs 7 and 9	Information to be reviewed Information submitted under chapter IV A (Initial report) and C (regular information) of the annex to decision 2/CMA.3.
Format of a technical expert review 1. Definition Centralized review, in-country review, desk review or simplified review 2. Applicability Applicability for centralized review, in-country review, desk review or simplified review	Format of a technical expert review 1. Definition Desk or centralized review (para 25 decision 2/CMA.3.) 2. Applicability Same as applicability of Article 13 for centralized review or desk review.
Procedures Procedures for centralized review, in-country review, desk review and simplified review	Procedures Same as procedure of Article 13 for centralized review and desk review.
Confidentially Confidential information should be protected	Confidentially <i>Same as Article 13</i>
Role of the Party Party should cooperate with technical expert review team.	Role of the Party <i>Same as Article 13</i> Additional: Application more than one party
Role of the technical expert review team Technical expert, in conducting reviews, shall adhere to these MPGs	Role of the technical expert review team Article 6 technical experts, in conducting reviews, shall adhere to these guidelines
Role of the secretariat Secretariat shall organize the review, facilitate communication and organize the meetings.	Role of the secretariat <i>Same as Article 13</i> Additional: Coordination with review team for Article 13
Technical expert review team and institutional arrangement 1. General Nomination rule, Training program and assignment 2. Composition Technical review team should be composed of expert for GHG inventory sector, mitigation and support, cooperative approach and ITMOs under Article 6 and LULUCF. 3. Lead reviewers Lead review shall oversee the work and ensure the quality and objectivity of the technical expert team.	Technical expert review team and institutional arrangement 1. General <i>Same as Article 13</i> 2. Composition Members of technical review should be experts for cooperative approach and ITMOs under Article 6 3. Lead reviewers <i>Same as Article 13</i>
Technical expert review report Report should be publicly available on the UNFCCC website.	Technical expert review report Report should be forwarded to the technical expert team for Article 13.

Table2. Shortest possible timeline for the Article 6 technical expert review of information submitted with BTR

Step	Activity	month week	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1	BTR submission including A6 regular information annex	Party	SUB																
2	Start of preparation of review (immediately after submission)	Secretariat	Start																
3	Agreement of the review week (RW) dates (8 weeks after agreement)	Party+Secretariat		AGR															
4	Formation of a A6 TER team (6 weeks before RW)	Secretariat		TER team															
5	Preliminary questions to the Party (3 weeks before RW)	TER				Qs													
6	Answers by the Party (within 3 weeks after the request)	Party								As	As								
7	A6 review week	TER+Party+Secretariat																	
8	Draft areas of improvements to Party	TER																	
9	Final version of the review report (within 2 weeks)	TER+Secretariat																	
10	Publication of the A6 TER report	Secretariat																	
A13 TER: The shortest possible timeline																			
Step	Activity	month week	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1	BTR submission including A6 regular information annex	Party	SUB																
2	Start of preparation of review (immediately after submission)	Secretariat	Start																
3	Agreement of the review week (RW) dates (14 weeks after agreement)	Party+Secretariat		AGR															
4	Formation of a A13 TER team (10 weeks before RW)	Secretariat			TER team														
5	Preliminary questions to the Party (4 weeks before RW)	TER												Qs					
6	Answers by the Party (within two/three weeks after the request)	Party															As	As	
7	A13 review week	TER+Party+Secretariat																	RW
8	Draft areas of improvements to Party	TER																	
9	Draft review report (within 2 months after RW)	TER+Secretariat																	
10	Comments on draft review report (up to one month)	Party																	
11	Final version of the review report (within one month)	TER+Secretariat																	
12	Publication of the A13 TER report	Secretariat																	

C. Infrastructure, including guidance for registries, the international registry, the Article 6 database and the centralized accounting and reporting platform referred to in chapter VI of the annex (Recording and tracking) (paragraphs 10 of decision 2/CMA.3)

We believe that technical specifications need to be developed for a registry of participating Party, the international registry, the Article 6.4 mechanism registry, the Article 6 database and the centralized accounting and reporting platform (CARP). Based on our submission on March, we intend to clarify and add some points crucial to implementing the infrastructure requirements.

1. Specification in relation to connection between registries

(1) Connection between national registries

Connection between registries of participating Parties is possible if Parties wish to connect them, but this is not mandatory. Here, “connection” means connecting one registry to another to enable the Parties to transfer ITMOs across the registries.

Transfer of ITMOs between registries of participating Parties which are not connected each other are achieved by cancelling units in a registry of a transferring Party first, and then re-issuing units corresponding to that cancelled amount in a registry of a receiving Party. When such transfers occur, the transferring Party cancels the units in a cancellation account specific for international transfer, and the receiving Party re-issues the units in a pending account specific for international acquisition.

It is also important for the Parties to track original identifier of the units.

(2) Connection between national registry and the international registry

Connection between a registry of participating Party and the international registry is also possible, but not mandatory. If they are not connected, transfers of units across the registries are executed in the same manner as described in (1) above.

(3) Connection between the international registry and the Article 6.4 mechanism registry

The international registry and the Article 6.4 mechanism registry are connected in some manner, in accordance with paragraph 63 of the annex to decision 3/CMA.3. However, transfers of units across the registries do not necessarily occur if A6.4ERs are managed within the mechanism registry, and other ITMOs are managed within the international registry, from the issuance through retirement/cancellation.

2. Specification in relation to function of the Article 6 database

In addition to the proposals made in our submission on March, we would like to propose a new function of the Article 6 database which helps Parties fill out or automatically develops a report on the cumulative information of ITMO quantity referred to in paragraph 23(h) of the annex to decision

2/CMA.3. Such a function is necessary for minimizing a reporting burden of Parties and a risk of misreporting.