

Mutual Learning Program for Enhanced Transparency (MLP): Article 6.2 reporting

Overview of Article 6.2 reporting guidance

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Structure of Article 6.2 guidance¹

- I. ITMOs
- II. Participation
- III. Corresponding adjustments (CA)
- IV. Reporting
- V. Review
- VI. Recording and tracking
- VII. Ambition in mitigation and adaptation actions

Annex

Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement

I. Internationally transferred mitigation outcomes

1. Internationally transferred mitigation outcomes (ITMOs) from a cooperative approach are:
 - (a) Real, verified and additional;
 - (b) Emission reductions and removals, including mitigation co-benefits resulting from adaptation actions and/or economic diversification plans or the means to achieve them, when internationally transferred;
 - (c) Measured in metric tonnes of carbon dioxide equivalent (t CO₂e) in accordance with the methodologies and metrics assessed by the Intergovernmental Panel on Climate Change and adopted by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) or in other non-greenhouse gas (GHG) metrics determined by the participating Parties that are consistent with the nationally determined contributions (NDCs) of the participating Parties;
 - (d) From a cooperative approach referred to in Article 6, paragraph 2, (hereinafter referred to as a cooperative approach) that involves the international transfer of mitigation outcomes authorized for use towards an NDC pursuant to Article 6, paragraph 3;
 - (e) Generated in respect of or representing mitigation from 2021 onward;
 - (f) Mitigation outcomes authorized by a participating Party for use for international mitigation purposes other than achievement of an NDC (hereinafter referred to as international mitigation purposes) or authorized for other purposes as determined by the first transferring participating Party (hereinafter referred to as other purposes) (international mitigation purposes and other purposes are hereinafter referred to together as other international mitigation purposes);
 - (g) Article 6, paragraph 4, emission reductions issued under the mechanism established by Article 6, paragraph 4, when they are authorized for use towards achievement of NDCs and/or authorized for use for other international mitigation purposes;
2. A "first transfer" is:
 - (a) For a mitigation outcome authorized by a participating Party for use towards the achievement of an NDC, the first international transfer of the mitigation outcome; or
 - (b) For a mitigation outcome authorized by a participating Party for use for other international mitigation purposes, (1) the authorization, (2) the issuance or (3) the use or cancellation of the mitigation outcome, as specified by the participating Party.

II. Participation

3. Each Party participating in a cooperative approach that involves the use of ITMOs (hereinafter referred to as a participating Party) shall ensure that its participation in the cooperative approach and the authorization, transfer and use of ITMOs is consistent with this guidance and relevant decisions of the CMA and that it applies this guidance to all corresponding adjustments and cooperative approaches in which it participates.
4. Each participating Party shall ensure that:
 - (a) It is a Party to the Paris Agreement;

¹ "Article" refers to an Article of the Paris Agreement, unless otherwise specified.

I. ITMOs

Definition	Eligibility of JCM credits
Real, verified, and additional	✓
Emission reductions and removals when internationally transferred	JCM credits issued for the Japanese side
Measured in tCO2 eq or non-GHG metrics	✓
Generated from 2021 onward	JCM credits issued for mitigation from 2021 onward
Authorized for <ul style="list-style-type: none"> • use towards NDC • use towards international mitigation purposes² (e.g. CORSIA¹) • other purposes (e.g. private sector’s voluntary emission reduction target) 	<ul style="list-style-type: none"> • JCM credits issued for Japanese side will be authorized by Japanese gov. and Partner country (PC)’s gov. for the use toward Japan’s NDC. • JCM credits issued for PC side may be authorized by PC’s gov. for use toward international mitigation purposes or other purposes.
Article 6.4 emission reductions when authorized for use towards NDC and/or other international mitigation purposes	N/A

¹ CORSIA = Carbon Offsetting and Reduction Scheme for International Aviation <https://www.icao.int/environmental-protection/CORSIA/Pages/default.aspx>

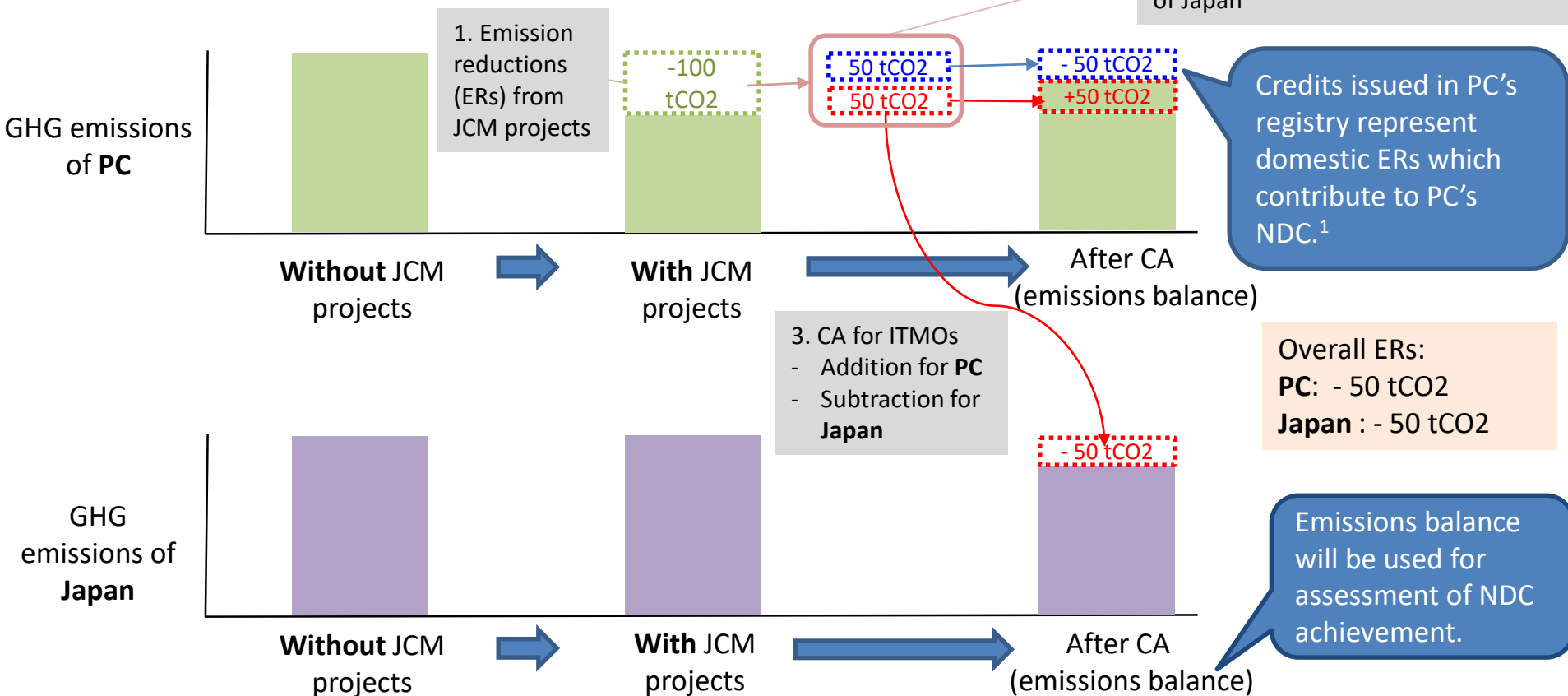
² “International mitigation purposes” and “other purposes” are referred together as “other international mitigation purposes”.

II. Participation

Participation responsibility	Fulfillment by Japan and partner countries
To be a Party to the PA	✓
To communicate and maintain an NDC as per Art. 4.2	✓ (need to maintain an NDC)
To have arrangements for authorizing the use of ITMOs	Each country needs to have domestic arrangements for authorization.
To have arrangements for tracking ITMOs	Each country needs to have a national registry or use international registry to be prepared by the UNFCCC ¹ .
To provide the most recent NIR as per decision 18/CMA.1	To be fulfilled by each country.
Participation (to cooperative approaches) contributes to its NDC, LT-LEDS (as applicable), and long-term goals of the PA	✓ (Each country needs to explain JCM's contribution to its own NDC and LT-LEDS (as applicable))

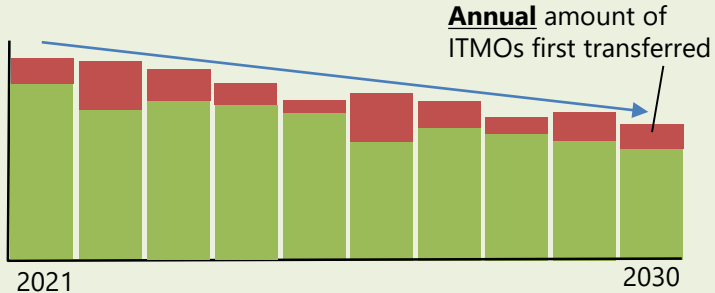
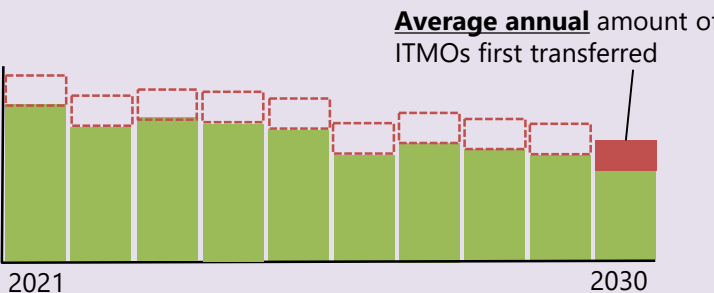
1. Decision 2/CMA.3 para 30. The secretariat shall implement an international registry for participating Parties that do not have or do not have access to a registry. Any Party may request an account in the international registry.

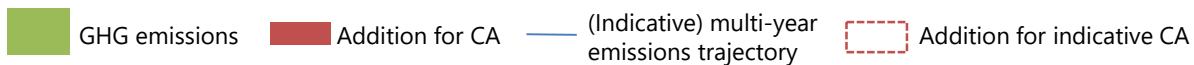
III. CA: example under the JCM



¹ If Credits issued in the registry of PC are first transferred to other international mitigation purposes, PC will apply CA.

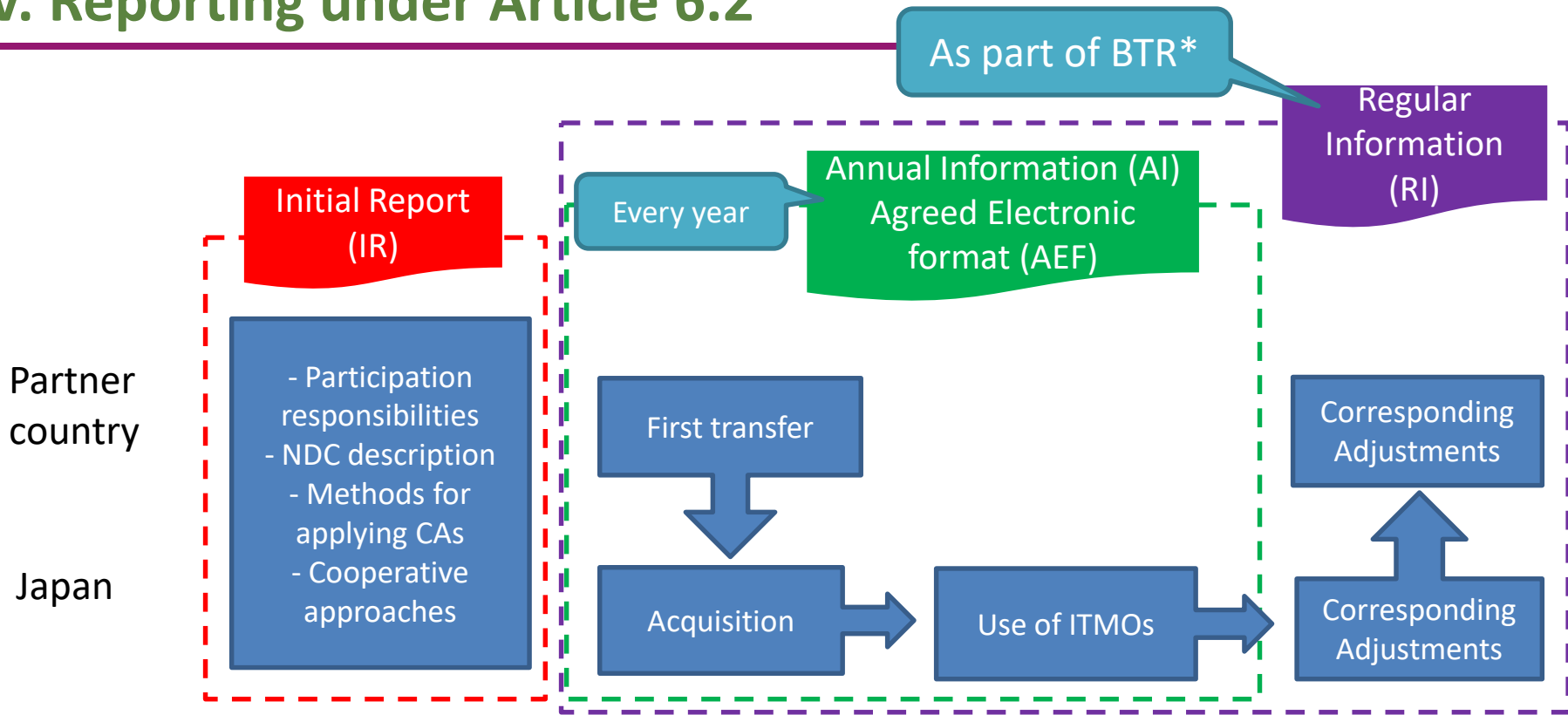
III. CA: different approaches

Approach	(Indicative) multi-year emissions trajectory, trajectories or budget	Average
NDC type	Single-year / multi-year	Single-year
Method	<ol style="list-style-type: none"> 1. Provide an (indicative) multi-year emissions trajectory, trajectories or budget that is consistent with the NDC 2. Annually apply CA for the total amount of ITMOs first transferred and used for each year 	<ol style="list-style-type: none"> 1. Calculate the average annual amount of ITMOs first transferred and used (i.e. cumulative amount of ITMOs divided by number of elapsed years) 2. Annually apply indicative CA equal to this average amount for each year and apply CA equal to this average amount in the NDC year
Simple figure (CA for Transferring Party)	 <p>Annual amount of ITMOs first transferred</p>	 <p>Average annual amount of ITMOs first transferred</p>



16. (b). (i). The elaboration of further guidance in relation to corresponding adjustments for multi-year and single-year nationally determined contributions, in a manner that ensures the avoidance of double counting, (November 2024). Decision 2/CMA.3 Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement. https://unfccc.int/sites/default/files/resource/cma2022_10a02_adv.pdf#page=2

IV. Reporting under Article 6.2



*BTR: Biennial Transparency Report

Initial report: **No later than authorization of ITMOs** (i.e. 2023) or **In conjunction with next the BTR** (i.e. 2024)

Reference: Decision 2/CMA.3 Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement.
https://unfccc.int/sites/default/files/resource/cma2021_10_add1_adv.pdf#page=11

IV. The initial report overview

I. Participation responsibilities

II. Description of the Party's nationally determined contribution (If participating Party has not yet submitted a BTR)

III. Information on ITMO metrics, method for applying corresponding adjustments and method for quantification of the NDC

IV. Information on each cooperative approach

- A. Copy of the authorization
- B. Description of the cooperative approach
- C. Duration of the cooperative approach
- D. Expected mitigation for each year of the duration of the cooperative approach
- E. Participating Parties involved
- F. Authorized entities
- G. Description of how the cooperative approach ensures environmental integrity
- H. Additional description of the cooperative approach

Decision 6/CMA.4 Matters relating to cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement, Annex V. Outline of the initial report and updated initial report referred to in decision 2/CMA.3, annex, chapter IV.A (Initial report),

https://unfccc.int/sites/default/files/resource/cma2022_10a02_adv.pdf#page=2

IV. Annual information - Draft version of the AEF* (1)

Table 2: Actions

		ITMO											
		Unique identifier			Metric and quantity				ITMO details				
Article 6 database record ID	Cooperative approach	First unique identifier	Last unique identifier	Underlying unit block start ID	Underlying unit last block end	Metric	Quantity (expressed in metric)	Quantity (t CO ₂ e)	Conversion factor (reporting Party)	First transferring participating Party	Vintage	Sector(s)	Activity type(s)
	Cooperative approach Article 6.4 mechanism											Energy IPPU AFOLU Waste	

(Table continues)

Authorization					Actions						
Date of authorization	Authorization ID	Purposes for authorization	OIMP authorized by the Party ^a	First transfer definition	Action date	Action type	Transferring participating Party	Acquiring participating Party	Purposes for cancellation	Using participating Party or authorized entity or entities	First transfer
		NDC		Authorization							
		OIMP		Issuance							
		NDC and OIMP		Use or cancellation							

* Draft version of the agreed electronic format is available digitally at <https://unfccc.int/documents/624366>

IV. Annual information - Draft version of the AEF* (2)

Table 3: Holdings

		ITMO										
		Unique identifier				Metric and quantity				ITMO details		
Article 6 database record ID	Cooperative approach	First unique identifier	Last unique identifier	Underlying unit block start ID	Underlying unit last block end	Quantity (expressed in metric)	Quantity (t CO ₂ e)	Conversion factor (reporting Party)	First transferring participating Party	Vintage	Sector(s)	Activity type(s)
	Cooperative approach Article 6.4 mechanism										Energy IPPU AFOLU Waste	

(Table continues)

Authorization			
Date of authorization	Authorization ID	Purposes for authorization	OIMP authorized by the Party
		NDC	Authorization
		OIMP	Issuance
		NDC and OIMP	Use or cancellation

* Draft version of the agreed electronic format is available digitally at <https://unfccc.int/documents/624366>

IV. Regular information overview (part of BTR)

Part 1. Qualitative information: Similar to the initial report (Additional info/Update)

- ✓ Information on how corresponding adjustments undertaken
- ✓ Information on how the Party has ensured that ITMOs that have been used towards achievement of its NDC etc.

Part 2. Quantitative information: Structured summary. Tracking progress made in implementing and achieving the NDC (Common tabular format 4 of BTR)

- ✓ Annual and cumulative emissions and removals,
- ✓ Annual and cumulative quantity of ITMOs first transferred,
- ✓ Annual and cumulative quantity of mitigation outcomes authorized for use for other international mitigation purposes,
- ✓ Total quantitative of corresponding adjustments used to calculate emission balance
- ✓ Annual emission balance and application etc.

Decision 6/CMA.4 Matters relating to cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement, Annex V. Outline of the initial report and updated initial report referred to in decision 2/CMA.3, annex, chapter IV.A (Initial report),

https://unfccc.int/sites/default/files/resource/cma2022_10a02_adv.pdf#page=2

IV. Reporting: expected reporting timeline

Initial report (IR): one time (no later than authorization of ITMOs or in conjunction with next BTR)

- Fulfillment of participation responsibilities, information on NDC target, method for CA, information on each cooperative approach

Annual information (AI) – Agreed electronic format (AEF): annual (by 15 Apr. of following year)

- Quantitative information on ITMOs

Regular information (RI): biennial (annex to BTR)

- Update of information reported in initial report, quantitative information on ITMOs

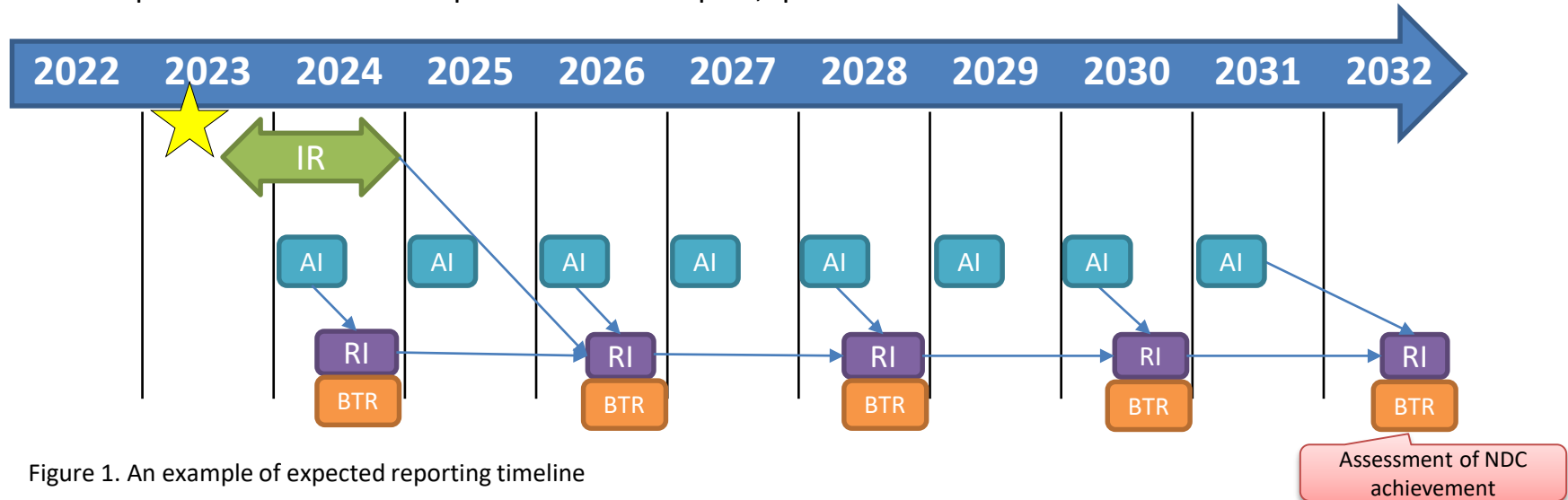


Figure 1. An example of expected reporting timeline

Further work

4. Requests the SBSTA to **continue its work on the draft version of the agreed electronic format (AEF)** ,,,, taking into consideration the submissions from Parties ,,, with a view to **finalizing a recommendation on the AEF** for consideration and adoption (November–December 2023)*

17. Requests the SBSTA, on the basis of the guidance in the annex to decision 2/CMA.3 and the **further guidance in the annexes** to this decision, **to develop recommendations** ,,,, giving consideration to **implementation priorities**,,, **The process of authorization, The application of mitigation outcomes authorized by a participating Party, etc.***

22. Requests the secretariat to **develop and regularly update a manual containing illustrative elements of information** for the initial report, ... and annex 4 to the BTR (Regular information) ... and **noting that the illustrative elements of information to be included in the manual have no formal status,***

23. Requests the secretariat to provide, as part of **the capacity-building programme** referred to in decision 2/CMA.3, paragraph 12,,,,, on **the use of the reporting outlines and tables**, particularly in relation to **the completion and submission of initial reports;***

4. (d). **Capacity building for the draft AEF** needs to take place in parallel to intersessional work on this matter, including through **joint activities such as workshops** (Informal note, SBSTA 58, Version 14/6/2023)

* Decision 6/CMA.4 Matters relating to cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement, https://unfccc.int/sites/default/files/resource/cma2022_10a02_adv.pdf#page=2

Thank you for your attention.

Mutual Learning Program for Enhanced Transparency (MLP)

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

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