

# Necessary arrangements for participating in Article 6.2 cooperative approaches

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**Workshop on COP 27 Article 6 update and  
its implication on JCM implementation**  
December 23, 2022



# Outline

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## Necessary arrangements for participating in Article 6.2 cooperative approaches

- Domestic arrangements for authorization
- Corresponding adjustments (CAs)
- Reporting under Article 6.2

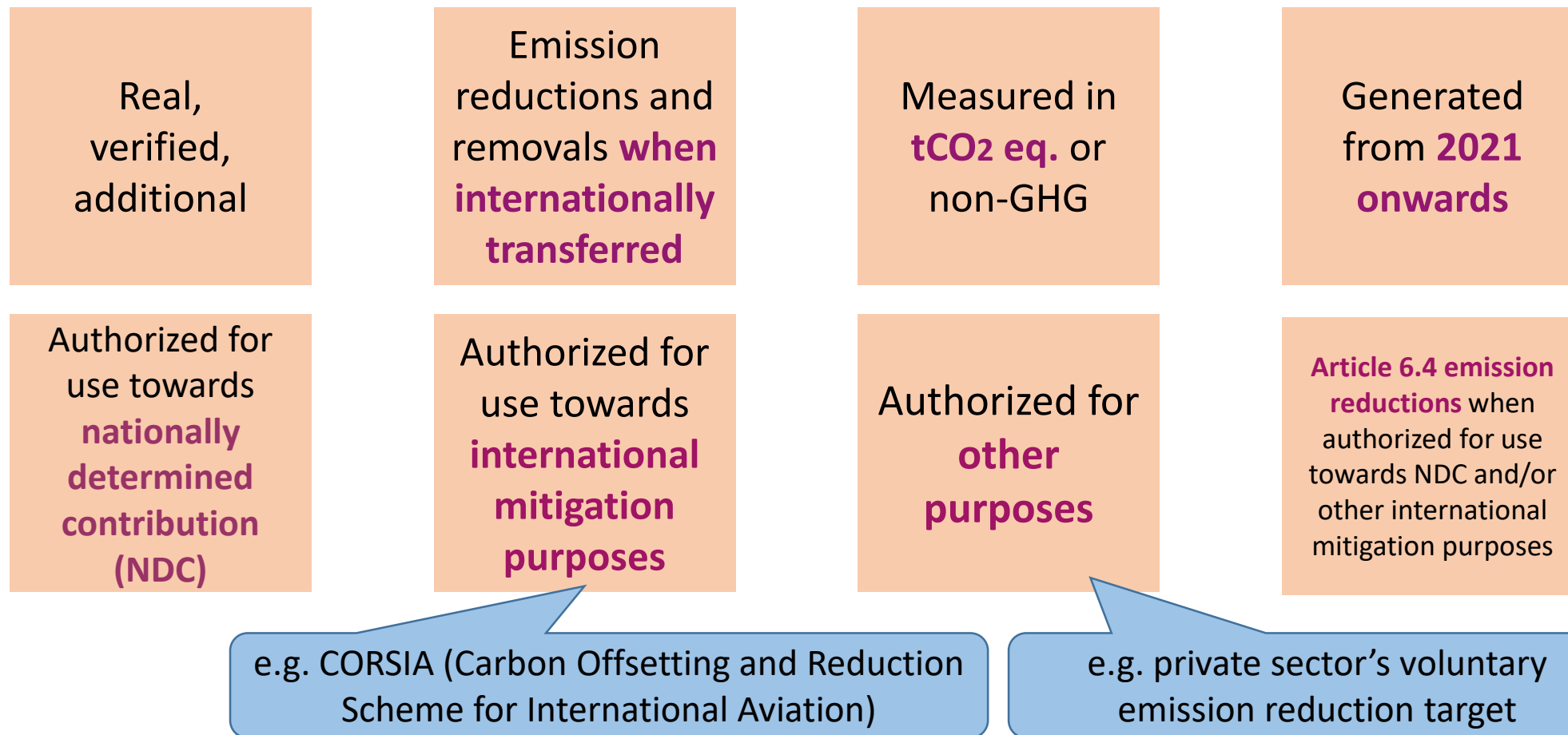
2

## IGES activity related to Article 6.2 reporting

- Mutual learning program for enhanced transparency (MLP)

# What are ITMOs?

ITMOs: Internationally Transferred Mitigation Outcomes



Reference: Decision 2/CMA.3 Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement, Annex I. Internationally transferred mitigation outcomes, paragraph 1  
[https://unfccc.int/sites/default/files/resource/cma2021\\_10\\_add1\\_adv.pdf#page=11](https://unfccc.int/sites/default/files/resource/cma2021_10_add1_adv.pdf#page=11)

# Participation responsibilities

- (a) To be a Party to the Paris Agreement (PA)
- (b) To prepare, communicate and maintain a NDC as per Article 4.2
- (c) To have arrangements for authorizing the use of ITMOs towards achievement of NDCs
- (d) To have arrangements for tracking ITMOs
- (e) To provide the most recent national inventory report as per decision 18/CMA.1
- (f) Its participation contributes to its NDC, LT-LEDS (long-term low-emission development strategy) and the long-term goals of the PA

These participation responsibilities (a-f) should be reported in the Initial Report

Reference: Decision 2/CMA.3 Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement, Annex II. Participation, [https://unfccc.int/sites/default/files/resource/cma2021\\_10\\_add1\\_adv.pdf#page=11](https://unfccc.int/sites/default/files/resource/cma2021_10_add1_adv.pdf#page=11)

# What to do?

## Participating Parties have to do the following actions under Article 6.2:

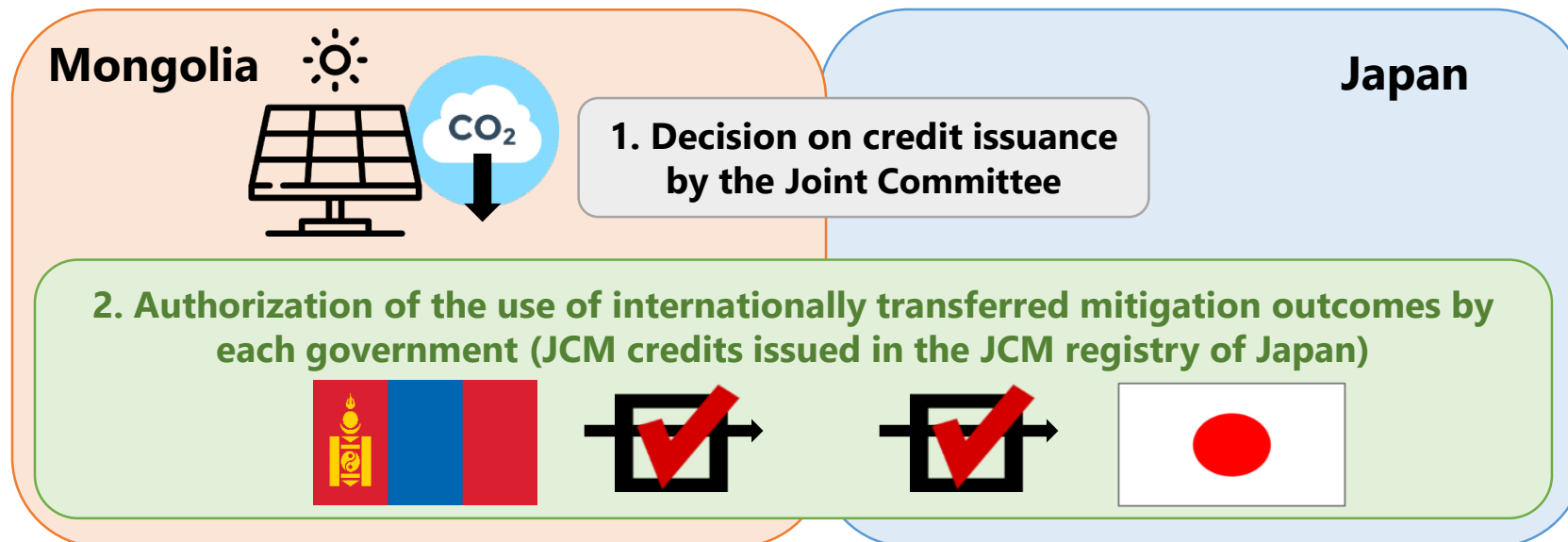
- Establish domestic arrangements for authorizing the use of ITMOs
- Application of corresponding adjustment (CAs)
- Development of a registry system for ITMOs recording and tracking
- Reporting under Article 6.2 (Initial Report, Annual Information and Regular information as a part of Biennial Transparency Report)
- The review by Article 6 technical experts

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](https://unfccc.int/sites/default/files/resource/cma2021_10_add1_adv.pdf#page=11)

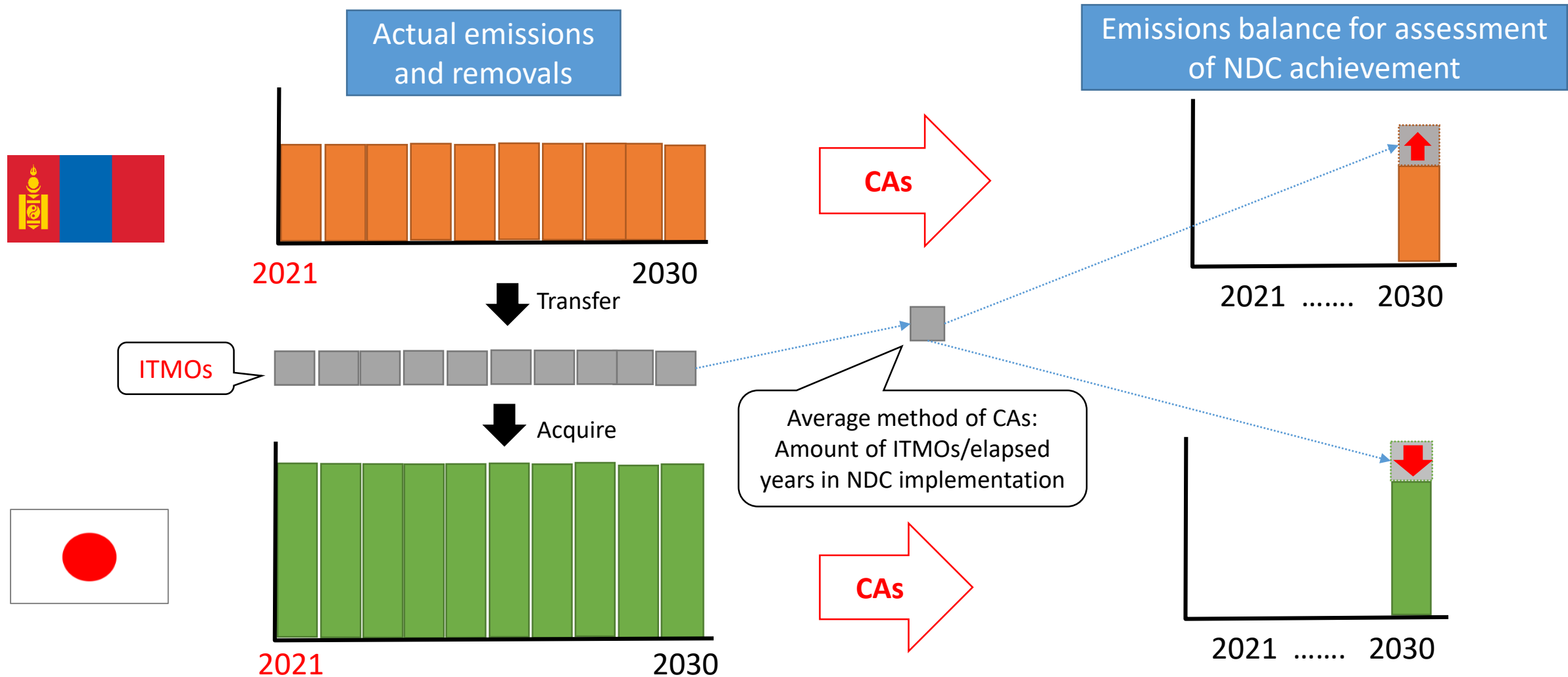
# 1. Domestic arrangements for authorization

Decision 2/CMA.3 Para 18 (g): Provide, for each cooperative approach, a copy of the authorization by the participating Party, a description of the approach, its duration, the expected mitigation for each year of its duration, and the participating Parties involved and authorized entities; (in the Initial report)

- Authorization for the use of ITMOs means that participating Parties will apply CAs to avoid double counting and report the information of ITMOs
- Each Party should prepare domestic arrangements for authorization the use of ITMOs
- How to arrange the authorization in the countries? How to govern it?



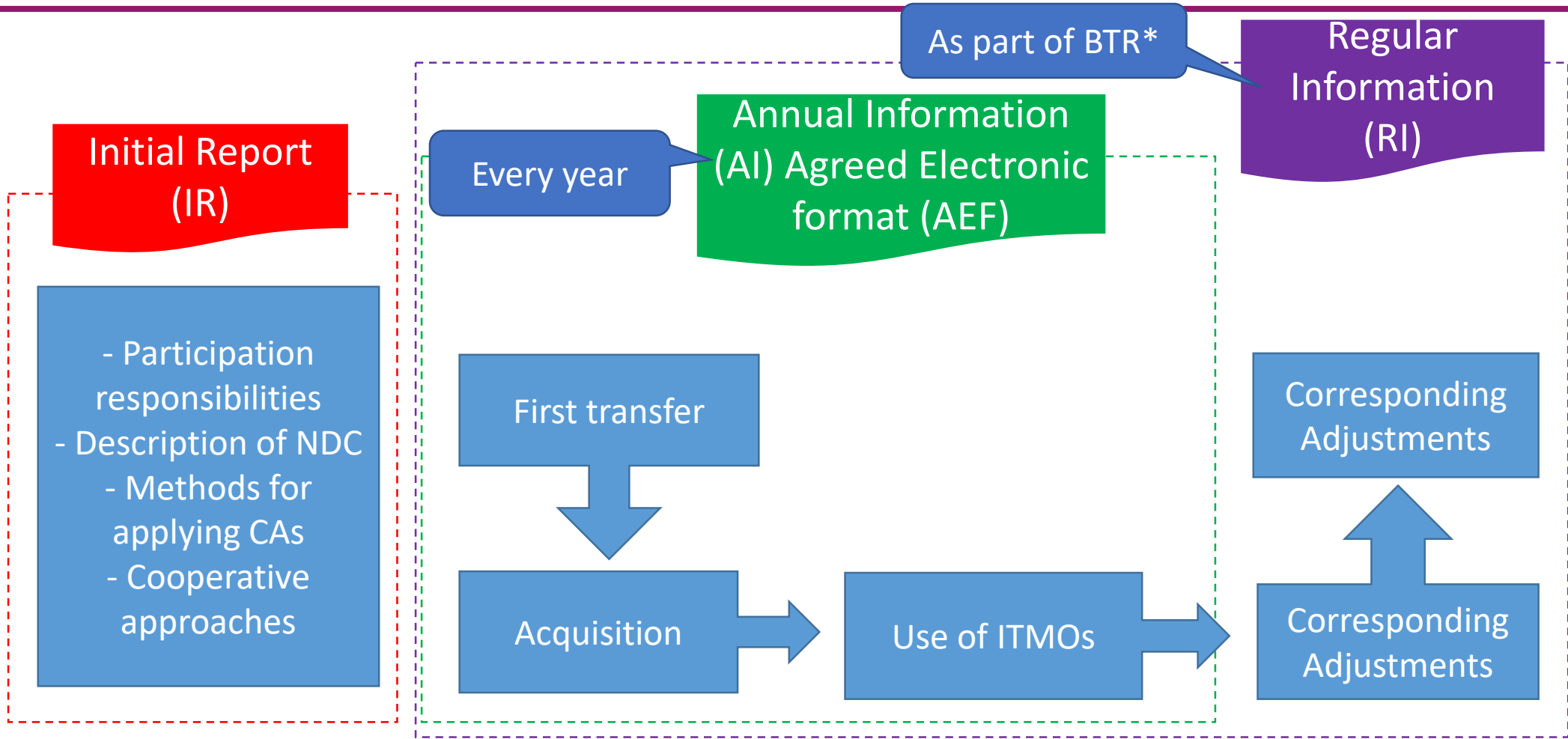
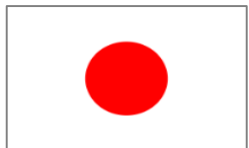
## 2. Methods of corresponding adjustments (CAs)



**Assumption:**

Both Parties have single year NDC target in 2030 with implementation period between 2021-2030 and use average method for CAs.

# 3. Reporting under Article 6



\*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)



# Possible reporting schedule

Submission year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
IR (Initial report)	✓ → ?									
AI (Annual information)			✓	✓	✓	✓	✓	✓	✓	✓
RI (Regular information)		?		✓		✓		✓		✓
		BTR1		BTR2		BTR3		BTR4		BTR5

## 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.
- Information on ITMOs can be included only from the second BTR.
- The fifth BTR is used for assessing the achievement of its NDC.

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## IGES activity related to Article 6.2 reporting

- Mutual learning program for enhanced transparency (MLP)

# Mutual Learning Program for Enhanced Transparency (MLP)

## Purpose:

- Understand how to apply the reporting guidance under Article 6.2 and 13
- Explore improvement areas of next reporting
- Strengthen a network working on Article 6.2 and 13 reporting

## Activity:

- 7 months duration
- 3 meetings and 2 reporting exercises

## Output:

- Draft reporting on Article 6.2 and 13

## Participants and topics in 2020-2022:

### Article 6.2 reporting pair

1. Thailand (TGO)  
– IGES

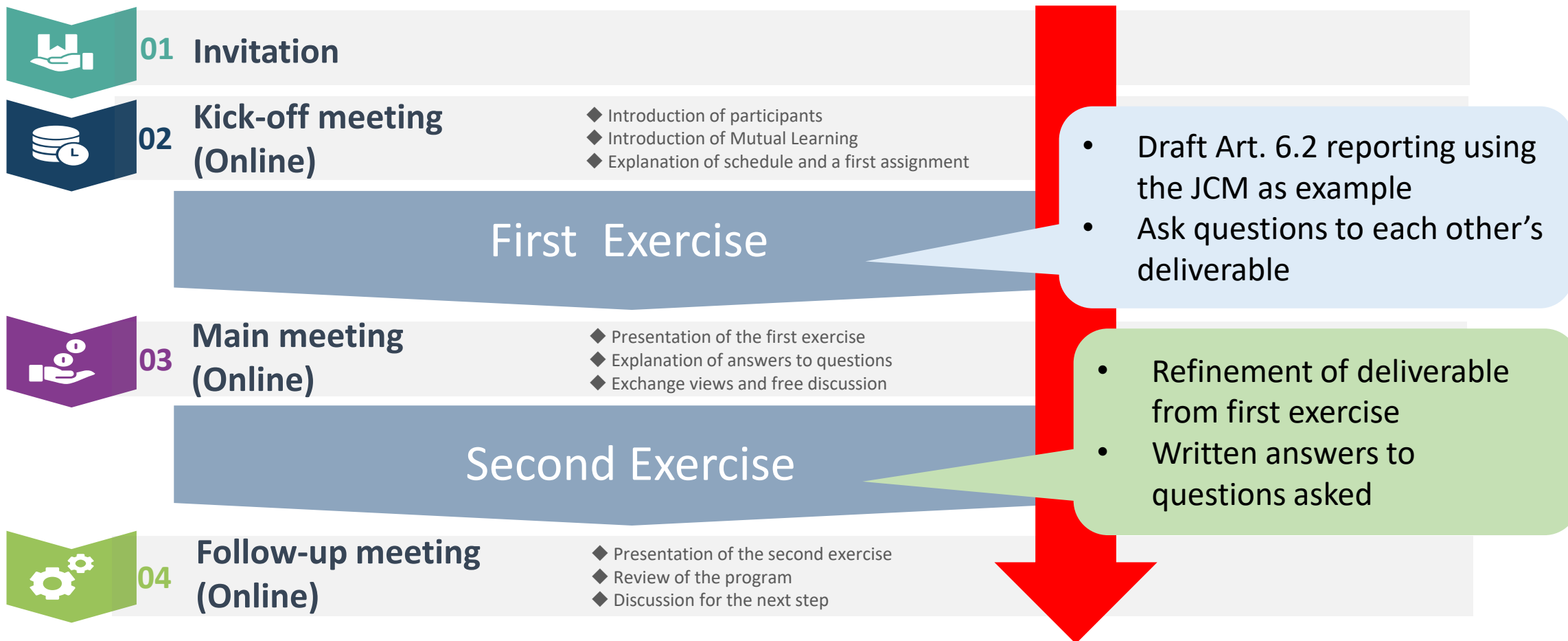
3. Indonesia  
(CMEA, MOEF) –  
Mongolia (MET)

2. Chile –  
Thailand (TGO) –  
IGES

4. Bangladesh  
(DOE) – IGES

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

# MLP overview



# MLP exercise and discussion

## 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 authorisation 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<sup>2</sup> 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.<sup>3</sup>

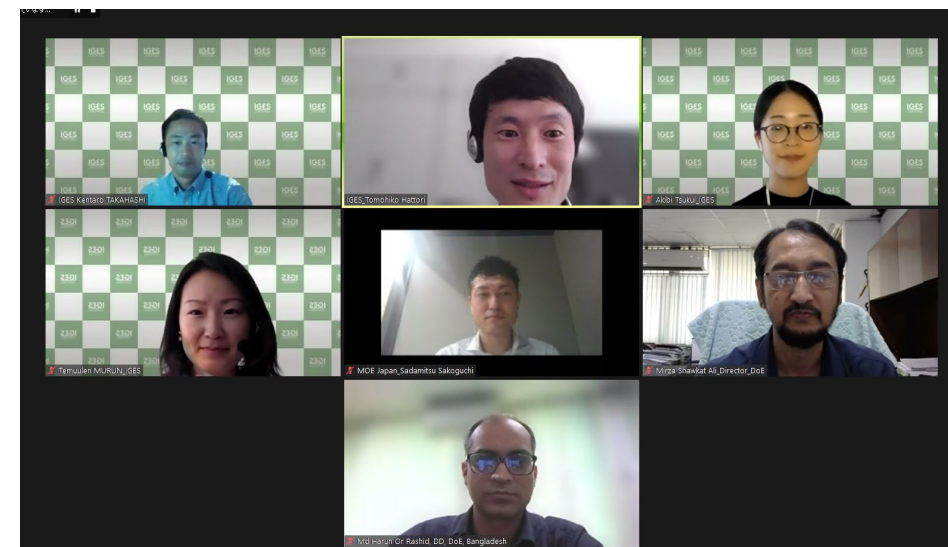
(b) It has prepared, communicated and is maintaining an NDC in accordance with Article 4, paragraph 2 of the Paris Agreement and decision 4/CMA.1;

Japan communicated the updated NDC in accordance with Article 4, paragraph 2 of the Paris Agreement and decision 4/CMA.1 in 2021<sup>4</sup>, 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.<sup>5</sup>

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.<sup>6</sup> The JC will serve as a forum for relevant coordination (e.g., corresponding adjustment).



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# Thank you for your attention.

**Mutual Learning Program for Enhanced Transparency (MLP)**

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

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# Annex

# What is first transfer?

(a) For a mitigation outcome **authorized** by a participating Party for **use towards the achievement of an NDC** or for the **first international transfer** of the mitigation outcome;

(b) For a mitigation outcome **authorized** by a participating Party for **use for other international mitigation purposes**, either the authorization, the issuance or the use or cancellation of the mitigation outcome, as specified by the participating Party.

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](https://unfccc.int/sites/default/files/resource/cma2021_10_add1_adv.pdf#page=11)



# Reporting items

Reporting items		IR	AI	RI
1	Fulfilment of participation requirements (e.g. NDC, arrangements for authorization, tracking ITMOs, NIR, LT-LEDs)	✓		✓
2	NDC information pursuant to para 64 of the annex to 18/CMA.1, if BTR has not been submitted	✓		
3	ITMO metrics and method for corresponding adjustments (CA)	✓		
4	Mitigation information in NDC in tCO <sub>2</sub> eq., including sectors, sources, GHGs and time periods covered by NDC; or methodology for the quantification of the NDC in tCO <sub>2</sub> eq.	✓		
5	Information on each cooperative approach including a copy of authorization, expected mitigation for each year	✓		
6	How the cooperative approach ensures environmental integrity, net increase in global emissions within and between NDC implementation through robust, transparent governance and the quality of mitigation outcomes	✓		✓
7	How the cooperative approach is minimizing the risk of non-permanence of mitigation across several NDC periods	✓		✓
8	How the cooperative approach minimizes and, where possible, avoids negative environmental, economic and social impacts	✓		✓
9	How the cooperative approach reflects, respects, promotes and considers human rights, the right to health, the rights of indigenous peoples, local communities, migrants, children, persons with disabilities and people in vulnerable situations and the right to development, as well as gender equality, empowerment of women and intergenerational equity	✓		✓

Reference: Decision -/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/cma4\\_auv\\_cma13\\_PA6.2.pdf](https://unfccc.int/sites/default/files/resource/cma4_auv_cma13_PA6.2.pdf)

# Reporting items (continues)

	Reporting items	IR	AI	RI
10	Description of how the cooperative approach is consistent with sustainable development objectives of the Party, noting national prerogatives	✓		✓
11	Where a mitigation outcome is measured and transferred in t CO2 eq, description of how the cooperative approach provides for the measurement of mitigation outcomes in accordance with the methodologies and metrics assessed by IPCC and adopted by the CMA			✓
12	Information on authorizations and information on its authorization(s) of use of ITMOs towards achievement of NDCs and authorization for use for other international mitigation purposes, including any changes to earlier authorizations			✓
13	How CA are representative of progress towards NDC and ensure participation does not lead to a net increase in emissions			✓
14	How the Party has ensured that ITMOs that have been used towards achievement of its NDC will not be further transferred, further cancelled or otherwise used			✓
15	Annual information on authorization of ITMOs for use towards achievement of NDCs, authorization of ITMOs for use towards other international mitigation purposes, first transfer, transfer, acquisition, holdings, cancellation, voluntary cancellation, voluntary cancellation of mitigation outcomes or ITMOs towards overall mitigation in global emissions, and use towards NDCs		✓	
16	The cooperative approach, the other international mitigation purpose authorized by the Party, the first transferring participating Party, the using participating Party or authorized entity or entities, as soon as known, the year in which the mitigation occurred, the sector(s) and activity type(s), and the unique identifiers.		✓	
17	Annual emissions balance consistent with application of CA			✓
18	Application of the necessary CA and assessment of achievement of the NDC in BTR that contains the end year of the NDC period			✓

Reference: Decision -/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/cma4\\_auv\\_cma13\\_PA6.2.pdf](https://unfccc.int/sites/default/files/resource/cma4_auv_cma13_PA6.2.pdf)

# Draft version of the Agreed Electronic Format (AEF) - 1

**Table 2: Actions**

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

**(Table 2: Actions continues)**

					<i>Actions</i>						
<i>Authorization</i>					<i>Action details</i>						
<i>Date of authorization</i>	<i>Authorization ID</i>	<i>Purposes for authorization</i>	<i>OIMP authorized by the Party<sup>o</sup></i>	<i>First transfer definition</i>	<i>Action date</i>	<i>Action type</i>	<i>Transferring participating Party</i>	<i>Acquiring participating Party</i>	<i>Purposes for cancellation</i>	<i>Using participating Party or authorized entity or entities</i>	<i>First transfer</i>
		NDC		Authorization							
		OIMP		Issuance							
		NDC and OIMP		Use or cancellation							

# Draft version of the Agreed Electronic Format (AEF) - 2

**Table 3: Holdings**

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

**(Table 3: Holdings continues)**

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