

# **Japan's views on various approaches including opportunities for using markets**

Workshop on a framework  
for various approaches

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# Need for various approaches

- Given the complexity of the issues, “one size fits all” approach will not be best suited for addressing climate change in full and in the most efficient manner.
- In addition to the continued use of the CDM, it is crucial for the Parties to establish a wide variety of approaches which best reflect their circumstances while ensuring environmental integrity.
- The existing mechanisms and the Party-driven approaches should complement each other. This will contribute to the achievement of the ultimate objective of the UNFCCC.

# A framework for promoting various approaches (1)

- Among the various approaches referred to in the Durban agreement, there could be:
  - ✓ On one hand, mechanisms to be guided by the COP under a centralized governance, and
  - ✓ On the other, a framework which allows Parties to design and implement their own approaches under a decentralized governance, with the assistance from the COP providing the basic principles.

# A framework for promoting various approaches (2)

- While actively participating in the CDM reform discussion, Japan intends to pursue flexible and decentralized market mechanism, through bilateral and regional cooperation, to enhance its contribution to the global GHG emission reductions and complement the CDM.
- Flexible and decentralized mechanisms may take approaches to directly offset a Party's GHG emissions with the emission reductions achieved in other countries by its contribution, allowing the swift introduction of the approach and implementation at low transaction costs.
- “A framework” to be established by the COP needs to play a role to facilitate the wide spectrum of approaches. The COP could establish basic principles to be applied to the approaches, supply best practices as a reference, and provide a reporting system and reporting formats for ensuring transparency and addressing double counting.

# Standards for various approaches (1)

- Under the decentralized governance, a standard necessary for the implementation of each mechanism could not be exactly the same with each other, reflecting different national circumstances and priorities of the implementing Parties and the characteristics of the mechanism.
- Therefore, the standard will be best developed by the implementing Parties.

# Standards for various approaches (2)

- The standard to be developed by the implementing Parties under decentralized governance could include the following elements:
  - i) Overview of the mechanism (process flow, institutions involved and their roles, etc.)
  - ii) Eligibility criteria for the projects and the project selection process
  - iii) Underlying principles of methodologies and their approval process
  - iv) Roles of the third-party certification entities and their accreditation process
  - v) Approaches to managing projects and credits issued (including measures to avoid double counting)

# Standards for various approaches (3)

- The standard developed by the implementing Parties under the decentralized governance needs to be disclosed to the public, including through a reporting process established, or to be established, by the COP in order to secure transparency.