

IGES Submission to views on guidance on cooperative approaches referred to in
Article 6, paragraph 2, of the Paris Agreement

Institute for Global Environmental Strategies (IGES),

30 September 2016

This submission proposes key elements as matters related to the guidance referred to in Article 6, paragraph 2, of the Paris Agreement (PA). In this submission, we consider the guidance to be relevant for robust accounting to ensure, inter alia, the avoidance of double counting, when Parties engage on a voluntary basis in cooperative approaches.

Efficient and cost effective mechanisms are necessary to enhance the ambition of NDCs and the actual implementation of the PA. Existing mechanisms, such as the Joint Crediting Mechanism (JCM), can offer crucial insights for international rulemaking on cooperative approaches, including the guidance for accounting. This submission is based on our experience with the development and analysis of the JCM (See for example, Amellina et al, 2016).

Key elements to be considered for the guidance are listed as below:

- The JCM in practice aims to prevent double counting, but not all types of double counting can be prevented by the mechanism of each cooperative approach alone (see Table 1). Therefore, **guidance for accounting on cooperative approaches should take into account the linkages with national accounting arrangements of participating Parties and the transparency framework of the PA referred to in Article 13.** The former arrangements function to avoid double usage risks domestically (i.e. a Party uses the same emission reduction unit more than once within the scope of national policies) and the latter framework prevents double claiming towards NDCs at the international level (i.e. two or more of the participating Parties account the same unit towards meeting their own NDCs).
- **International information-sharing facilitated by the UNFCCC secretariat is necessary to ensure that the function of the mechanism and accounting rules of each cooperative approach is to avoid double registration, double issuance, and double usage.** To enable this, all the necessary information on each cooperative approach must be made publicly available in English (or other UN languages) and be updated regularly. (see for example, JCM website).
- **Parties that intend to use cooperative approaches should clearly mention the intention in their NDCs;** otherwise it will not be possible to robustly account internationally transferred mitigation outcomes (ITMOs) towards NDCs. Parties can do so by updating NDCs to show the amount of ITMOs to be accounted, as they start engaging in cooperative approaches. Parties should also prevent disconnection between multiple-year contributions to single-year targets

at this time.

- Each Party has its own capacity with regard to accounting, but this should not limit the participation of Parties in cooperative approaches. **International accounting guidance should incorporate arrangements for Parties with different levels of accounting capacity.** In our view, a registry system of the JCM is a good practice and can be recommended for use by countries with relatively low capacity (JCM Registry System 2016). International information-sharing facilitated by the UNFCCC secretariat mentioned above, can serve to back up any shortfalls which could occur in countries with limited accounting capacity.

Table 1: JCM in practice to avoid different types of double counting

Types of Double Counting	Measures to Apply	JCM in Practice
Double registration	<ul style="list-style-type: none"> • Basic information regarding projects, such as a project title, location and duration, and names of project participants under each scheme should be made publicly available. • The administrator of the mechanism should be required to check whether or not a proposed project for registration/issuance has been registered/issued under other mechanisms before registration/issuance of the project. 	<ul style="list-style-type: none"> • Defined in Bilateral Documents • Rule of Implementation of the JCM • JCM Guideline for Validation and Verification
Double issuance		
Double usage	<ul style="list-style-type: none"> • By confirming a decrease in the number of units in the transferring account of a registry, and an increase in the same number of units in the receiving account of another registry. • By checking whether or not units to be transferred have been retired or cancelled before a transaction 	<ul style="list-style-type: none"> • JCM Registry • Outline of JCM Implementation
	<ul style="list-style-type: none"> • National accounting arrangements 	<ul style="list-style-type: none"> • N/A
Double claiming	<ul style="list-style-type: none"> • Guidance to be developed under Article 6.2 and 13 	<ul style="list-style-type: none"> • N/A

(Source: IGES, 2015 and JCM Website, 2016)

References:

Amellina, A, Koakutsu, K, Rocamora, A, Umemiya, C. (2016) Operationalising the Paris Agreement Article 6 through the Joint Crediting Mechanism (JCM). Key Issues for Linking Market Mechanisms and the Nationally Determined Contributions (NDCs). Hayama, IGES. Available here: <http://pub.iges.or.jp/modules/envirolib/view.php?docid=6634>

IGES (2015) New Market Mechanism in CHARTS. Hayama, IGES. Available here: <http://pub.iges.or.jp/modules/envirolib/view.php?docid=3352>

JCM Registry System (2016) Accessible from here: <https://www.jcmregistry.go.jp/>

JCM Website (2016) Accessible from here: <https://www.jcm.go.jp/>

Contact:

Kentaro Takahashi, Task Manager/Senior Policy Researcher, Climate and Energy Area, Institute for Global Environmental Strategies (IGES) E-mail: k-takahashi@iges.or.jp