

Japan's Presentation on Article 6, Paragraph 2 of the Paris Agreement

5 November 2017

The Round-Table Discussions Among Parties for Article 6 of
the Paris Agreement SBSTA Items 11 A to C

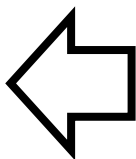
How can we ensure that the guidance in relation to environmental integrity is sufficient?

- ❑ Both the accounting guidance on **Article 6, paragraph 2**, and the reporting modalities, procedures and guidance on **Article 13, paragraph 13** should be applied.
- ❑ Data recorded in a registry system (s) are reported through the transparency framework applying the reporting modalities, procedures and guideline of Article 13, paragraph 13.

Registry system (s) for cooperative approaches

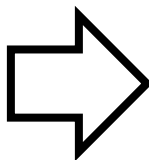
Data include:

- Name of Originating Party
- credits/units issued
- credits/units transferred
- credits/units canceled
- Credits/units retired to achieve NDC
- Etc.



Accounting Guidance on 6.2

- Avoidance of DC
- Corresponding adjustment
- Accounting
- Reporting Format



Modalities, procedures and guidelines of the transparency framework on 13.13

Possible accounting approaches towards the achievement of NDCs

- ❑ In order to assess the achievement of NDC through the use of credits/units, **“adjusted GHG emissions”** should be reported to compare the target GHG emissions based on the different types of NDCs
- ❑ To avoid double claiming, the originating Party should add the amount of credits/units transferred to its own emissions or deduct it from its own removals and identify **“adjusted GHG emissions”**.
- ❑ The originating Party should identify **“adjusted GHG emissions” at the timing of transfer of credits/units outside the country.**

Possible accounting approaches towards the achievement of point year target

1. Cumulative

- ◆ **The credits/units generated during NDC period** (e.g. 10 years) could be used for the achievement of the point year target.

2. Same vintage

- ◆ **The vintage year of credits/units** (e.g. emission reductions generated in 2030) will be used for the achievement of the point year target.

3. Average

- ◆ **The credits/units generated during the NDC period could be averaged by the NDC period** and such averaged amount of credit/units would be used for the achievement of the point year target.

How is the mitigation outside the scope of the NDC covered by the guidance?

- ❑ When an originating Party transfers credits/units generated from sectors **outside its NDC coverage**, that **Party should add the amount of credits/units transferred to its own emissions or deduct it from its own removals.**
- ❑ **This will secure avoidance of double claiming** while also **securing opportunities to implement emission reduction projects** regardless of whether the sectors are covered under NDCs and ensuring Parties' incentives to cover more sectors in their NDCs as stipulated in the Paris Agreement.