



Dept of Climate Change
Govt of Vanuatu



Republic of Vanuatu

Article 6, paragraph 2, Initial Report (AIR), referred to in Decision 2/CMA.3, Annex, Chapter IV.A

**In respect of ITMOs Authorization from the
Cooperative Approach between the Republic of
Vanuatu and the Swiss Confederation**

Article 6, paragraph 2, Initial Report (AIR) by the Republic of Vanuatu



Report prepared by the **Ministry of Climate Change Adaptation, Meteorology, Geohazards Environment, Energy and Disaster Management through its Department of Climate Change - Government of Vanuatu**, prior to Authorization to the United Nations Framework Convention on Climate Change (UNFCCC).

The Department of Climate Change of the Government of the Republic of Vanuatu is pleased to submit its initial report consistent with paragraph 18 of the annex of Decision 2/CMA.3, annex, chapter IV.A

Parameters	Response	
1. General Information		
(a) Party	Republic of Vanuatu	
(b) NDC period	1 January 2021 – 31 December 2030	
(c) Report type	Initial Report	X
	Updated Initial Report	
(d) Version	1.0	
(e) Date	04/10/2023	
(f) Names of cooperative approaches included in this report	Electrification of Vanuatu's Inhabited Islands through Solar Power ITMO Program	

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Parameters	Response
2. Participation responsibilities [Decision 2/CMA.3, Annex, paragraph 18 (a)]	
<p>(a) Information on how the Party ensures that it is a Party to the Paris Agreement.</p> <p>[paragraph 18(a), para. 4(a), update to para. 21(a)]</p>	<p>The Republic of Vanuatu ratified the Paris Agreement on 21 September 2016 ¹ and therefore, is an official Party to the Paris Agreement.</p>
<p>(b) Information on how the Party ensures that it has prepared, communicated and is maintaining an NDC in accordance with Article 4, paragraph 2.</p> <p>[paragraph 18(a), paragraph 4(b), update to paragraph 21(a)]</p>	<p>The Republic of Vanuatu has submitted the latest version of its updated first Nationally Determined Contribution (NDC) on 9 August 2022, which is fully maintained in the UNFCCC's NDC Registry ².</p>
<p>(c) Information on how the Party ensures it has arrangements in place for authorizing the use of ITMOs towards the achievement of NDCs pursuant to Article 6, paragraph 3.</p> <p>[paragraph 18(a), paragraph 4(b), update to paragraph 21(a)]</p>	<p>The Republic of Vanuatu's competent Authority for Article 6.2 Cooperation is the Ministry of Climate Change Adaptation, Meteorology, Geohazards Environment, Energy and Disaster Management, through the Department of Climate Change.</p> <p>Furthermore, as communicated in its updated NDC under Annex I, section 5 (g), the Republic of Vanuatu intends to explore opportunities for climate resilient socio-economic development with international cooperation and support including carbon market under Article 6 of the Paris Agreement.</p> <p>Moreover, the legal basis for authorizing the use of Internationally Transferred Mitigation Outcomes (ITMOs) is based on the Cooperation Agreement (bilateral agreement) between the Republic of Vanuatu and the Swiss Confederation towards the implementation of Article 6.2 established in the Paris Agreement ³.</p>
<p>(d) Information on how the Party ensures it has arrangements in place that are consistent with Article 6, paragraph 2, guidance and relevant decisions of the CMA for tracking ITMOs.</p> <p>[paragraph 18(a), paragraph 4(b), update to paragraph 21(a)]</p>	<p>The ITMO Process Manuals ⁴ and the National Carbon Registry for ITMO accountings and transfers ⁵, in accordance with section 1(c) of the Annex to Decision 2/CMA.3, establishes the Republic of Vanuatu's National Arrangements for authorization, tracking (involving the issuance, transfer, use and retirements of ITMOs) and reporting.</p>

¹ Vanuatu's UNFCCC Paris Agreement ratification status: <https://unfccc.int/node/61234>

² Vanuatu's updated NDC as per the UNFCCC NDC Registry: <https://unfccc.int/sites/default/files/NDC/2022-08/Vanuatu%20NDC%20Revised%20and%20Enhanced.pdf>

³ Article 6.2 Cooperation Agreement (Bilateral Agreement) between the Republic of Vanuatu and the Swiss Confederation: <https://www.bafu.admin.ch/dam/bafu/en/dokumente/international/fachinfo-daten>

⁴ ITMO process Manuals: <https://registry.imrvtool.com/about-ndc-programme/information-and-docs/>

⁵ National Carbon Registry Information: <https://registry.imrvtool.com/about-ndc-programme/national-carbon-registry/>

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Parameters	Response
<p>(e) Information on whether the most recent national inventory report required in accordance with decision 18/CMA.1 has been provided.</p> <p>[paragraph 18(a), paragraph 4(b), update to paragraph 21(a)]</p>	<p>As presented in Chapter 2 of the Republic of Vanuatu's First Biennial Update Report (BUR), submitted to the UNFCCC on 16 December 2021⁶ in line with Decision 18/CMA.1 and to comply with the conditions detailed in section 2(e) of the Annex to Decision 2/CMA.3, the Republic of Vanuatu submitted its most recent National Inventory Report (NIR) for the year 2017.</p>
<p>(f) Information on how the Party ensures participation contributes to the implementation of its NDC and long-term low-emission development strategy if it has submitted one, and the long-term goals of the Paris Agreement.</p> <p>[paragraph 18(a), paragraph 4(b), update to paragraph 21(a)]</p>	<p>One of the Republic of Vanuatu's Mitigation Priority Areas is the following:</p> <ul style="list-style-type: none">• By 2030 Renewable Energy (RE) Capacity Addition and substituting (replacement) of fossil fuels with Coconut (Copra) Oil based Electricity Generation: transitioning close to 100% RE in the electricity generation sector. <p>Such target is listed 100% Conditional for its achievement and therefore, fully dependent on international support. In the interest of timely climate action and fully meeting the target of 100% RE in its electric generation sector, the Republic of Vanuatu is intending to use international cooperation under Article 6.2 of the Paris Agreement to help contribute the achievement of the 72 GgCO₂eq reduction target in the energy sector by 2030.</p> <p>Moreover, leveraging cooperative approaches under Article 6.2 of the Paris Agreement is in line with the country's NDC and other sectoral roadmaps, such as the Updated Vanuatu National Energy Roadmap 2016 – 2030 (NERM), which details the country's overall vision to energize Vanuatu's growth and development through the provision of secure, affordable, widely accessible, high quality, clean energy services for an educated, healthy and wealthy nation.</p>

⁶ The Republic of Vanuatu's Biennial Update Report (BUR) submission: <https://unfccc.int/documents/403573>

Parameters	Response
<p>3. Description of the Party's Nationally Determined Contribution, as referred to in Decision 18/CMA.1, Annex, paragraph 64, where a participating Party has not yet submitted a biennial transparency report [Decision 2/CMA.3, Annex, paragraph 18(b), to be updated by para. 21(b)]</p>	
<p>(a) Target(s) and description, including target type(s) [Decision 18/CMA.1, annex, paragraph 64(a)]</p>	<p>The Republic of Vanuatu's Enhanced NDC (Mitigation) target description is as follows:</p> <ul style="list-style-type: none"> • Activity-based mitigation targets, sectoral and policy targets in key sectors, including emission reductions in some sub-sectors. • The GHG emission reduction targets in the Mitigation section are all conditional upon international support (financial and technical) made available. • Vanuatu's mitigation contribution would reduce business as usual (BAU) emissions in the electricity sub-sector by 100% and in the energy sector as a whole by 30%. • As such, the Republic of Vanuatu aims to reduce energy sector emissions by 72 GgCO₂e by 2030. Those emissions totaled approximately 130 GgCO₂e in 2010 but are expected to rise to 240 GgCO₂e by 2030 (3% per year).
<p>(b) Target year(s) or period(s), and whether they are single-year or multi-year target(s) [Decision 18/CMA.1, annex, paragraph 64(b)]</p>	<p>The Republic of Vanuatu has adopted a single-year target approach to 2030, including updates on 2025 targets.</p>
<p>(c) Reference point(s), level(s), baseline(s), base year(s) or starting point(s), and their respective value(s) [Decision 18/CMA.1, annex, paragraph 64(c)]</p>	<p>Baseline:</p> <ul style="list-style-type: none"> • The reference year used in Vanuatu's updated NDC is 2010. <p>Vanuatu accounts for its anthropogenic GHG emissions and removals using the 2006 Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories.</p> <p>Two additional guidelines will be considered for quality assurance: the IPCC Good Practice Guidance and Uncertainty Management in GHG Inventory (2002) and the IPCC Good Practice Guideline for Land Use, Land-Use Change and Forestry (2003).</p> <p>In addition, the preparation of National GHG Inventories for Vanuatu uses both Tier1 and Tier2 methodologies (as appropriate) of 2006 IPCC guidelines.</p>
<p>(d) Timeframe(s) and/or periods for implementation [Decision 18/CMA.1, annex, paragraph 64(d)]</p>	<p>The Republic of Vanuatu's NDC implementation timeframe spans from 1 January 2021 – 31 December 2030.</p>

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Parameters	Response
<p>(e) Scope and coverage, including, as relevant, sectors, categories, activities, sources and sinks, pools and gases.</p> <p>[Decision 18/CMA.1, annex, paragraph 64(e)]</p>	<p>The Republic of Vanuatu's Enhanced NDC (Mitigation) target coverage is as follows:</p> <ul style="list-style-type: none"> • Sectors and sub-sectors: <ul style="list-style-type: none"> ○ Energy (i.e., Energy Industries – Electricity; Generation/RE; Transport; Residential, Institutional and Commercial). ○ Agriculture, Forestry and Other Land Use (i.e., Livestock). ○ Waste (i.e., Solid Waste and Wastewater). • Greenhouse gases (GHGs): <ul style="list-style-type: none"> ○ Carbon Dioxide (CO₂) ○ Methane (CH₄) ○ Nitrous Oxide (NO₂). <p>Vanuatu is not including all IPCC sectors, sub-sectors and categories. According to national circumstances that Vanuatu is a small-island state, with limited technical, financial and skilled resources to collect, process and analyze data, Vanuatu has decided that at this time, other sources and sinks of emissions (most negligible for Vanuatu) would not be included in the updated NDC.</p>
<p>(f) Intention to use cooperative approaches that involve the use of internationally transferred mitigation outcomes under Article 6 towards NDCs under Article 4 of the Paris Agreement</p> <p>[Decision 18/CMA.1, annex, paragraph 64(f)]</p>	<p>The Republic of Vanuatu's NDC Mitigation section is fully conditional, dependent on international sources of implementation (financial and technological).</p> <p>Moreover, as discussed above, in its updated NDC under its Annex I – Information for Clarity, Transparency and Understanding, section 5 (g), the Republic of Vanuatu clearly states its intention to explore opportunities for climate resilient socio-economic development with international cooperation and support including carbon market under Article 6 of the Paris Agreement.</p> <p>Additionally, as aforementioned, the Republic of Vanuatu has the legal basis for authorizing the transfer of ITMOs under the Cooperation Agreement (bilateral agreement) with the Swiss Confederation.</p>
<p>(g) Any updates or clarifications of previously reported information (e.g., recalculation of previously reported inventory data or greater detail on methodologies or use of cooperative approaches)</p> <p>[Decision 18/CMA.1, annex, paragraph 64(g)]</p>	<p>Not Applicable (N/A)</p>

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Parameters	Response
<p>4. Information on ITMO metrics and the method for applying corresponding adjustments [Decision 2/CMA.3, Annex, paragraph 18 (c –f)]</p>	
<p>(a) ITMO metrics [paragraph 18(c)]</p>	<p>The Republic of Vanuatu will apply and report ITMOs only in carbon dioxide equivalent (CO₂e), whereby one ITMO equals one (1) ton of CO₂eq (1tCO₂e).</p> <p>Information on the ITMO metric is provided in the Republic of Vanuatu’s ITMO Process Manuals ⁷ and the Cooperation Agreement (bilateral agreement) between the Republic of Vanuatu and the Swiss Confederation ⁸.</p> <p>The ITMO metrics and the accounting methodologies applied align with the guidance under Article 4.13 of the Paris Agreement.</p>
<p>(b) Method for applying corresponding adjustments as per chapter III.B (application of corresponding adjustments) [paragraph 18(c)]</p>	
<p>i. Description of the method for applying the corresponding adjustment for multi- or single-year NDCs that will be applied consistently throughout the period of NDC implementation, if applicable [paragraph 18(c)]</p>	<p>As presented above, according to the Republic of Vanuatu’s updated first NDC, Vanuatu has adopted a single-year target approach to 2030, including updates on 2025 targets.</p> <p>As a result, Vanuatu shall calculate the average annual ITMOs amount first transferred over the Mitigation Activity crediting period in line with the method established in Decision 2/CMA.3, Annex, paragraph 8 (a-b) by:</p> <ul style="list-style-type: none"> • Taking the cumulative amount of ITMOs and dividing the number of elapsed years in the crediting period and annually applying corresponding indicative adjustments equal to this average amount for each year in the crediting period and applying a corresponding adjustment equal to this average amount in a given year, resulting in an emissions balance as referred to in paragraph 77(d)(ii) of the annex to Decision 18/CMA.1.
<p>ii. Description of the method for applying corresponding adjustments where the method is a multi-year emissions trajectory, trajectories, or budget, if applicable. [paragraph 18(c)]</p>	<p>Not Applicable (N/A)</p>

⁷ ITMO process Manuals: <https://registry.imrvtool.com/about-ndc-programe/information-and-docs/>

⁸ Article 6.2 Cooperation Agreement (Bilateral Agreement) between the Republic of Vanuatu and the Swiss Confederation: <https://www.bafu.admin.ch/dam/bafu/en/dokumente/international/fachinfo-daten>

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Parameters	Response
<p>(c) Sectors, sources, GHGs and time periods covered by the NDC, the reference level of emissions and removals for the relevant year or period, and the target level for its NDC or, where this is not possible, the methodology for the quantification of the NDC in tCO_{2e}</p> <p>[paragraph 18(d)]</p>	<p>The Republic of Vanuatu's first updated NDC ⁹, published on the UNFCCC NDC registry, contains the information on the quantification of its NDC targets. The information referred to in paragraph 18(d) can be found in the following NDC sections:</p> <ul style="list-style-type: none"> • NDC timeframe: Annex I – Information for Clarity, Transparency and Understanding (introduction) • Reference year (baseline): Annex I – Information for Clarity, Transparency and Understanding, Section 1(a). • Sectors, sources and GHGs: Annex I – Information for Clarity, Transparency and Understanding, Section 3(b). • Methodology for the quantification of the NDC in tCO_{2e}: Annex I – Information for Clarity, Transparency and Understanding, Section 5(a-g).
<p>(d) Quantification of the Party's NDC, or the portion in the relevant non-GHG indicator, in a non-GHG metric determined by each participating Party, if applicable</p> <p>[paragraph 18(e)]</p>	<p>Not Applicable (N/A)</p>
<p>(e) For a first or first updated NDC consisting of policies and measures that are not quantified, information on the quantification of the Party's emission level resulting from the policies and measures that are relevant to the implementation of the cooperative approach and its mitigation activities for the categories of anthropogenic emissions by sources and removals by sinks, as identified by the first transferring Party pursuant to paragraph 10, and the time periods covered by the NDC</p> <p>[paragraph 18(f)]</p>	<p>Not Applicable (N/A)</p>

⁹ Vanuatu's updated NDC as per the UNFCCC NDC Registry: <https://unfccc.int/sites/default/files/NDC/2022-08/Vanuatu%20NDC%20Revised%20and%20Enhanced.pdf>

Parameters	Response														
5. Information on each cooperative approach [Decision 2/CMA.3, paragraph 18(g-i), paragraph 19]															
Cooperative Approach: Electrification of Vanuatu’s Inhabited Islands through Solar Power ITMO Programme															
<p>(a) Copy of the authorization by the participating Party [paragraph 18(g)]</p>	<p><u>Copy of the Mitigation Activity’s Authorization by the Republic of Vanuatu</u></p> <div style="border: 1px solid black; padding: 2px;"> <p>https://drive.google.com/drive/folders/1URw5N0y4IEks0-qAk0Knpls7y2VJ05gJ?usp=sharing</p> </div>														
<p>(b) Description of the cooperative approach [paragraph 18(g)]</p>	<p>This Mitigation Activity will support the Republic of Vanuatu’s rollout of decentralized solar power installations to supply electricity across Vanuatu’s inhabited islands.</p> <p>The generated energy will be monitored continuously and used to calculate emission reductions based on the replacement of fossil fuel-based generators.</p> <p>In addition to reducing GHG emissions, the Mitigation Activity will improve energy access to un- and under-electrified communities and will generate new jobs and income for local communities through the productive use of the generated electricity.</p> <p>The cooperative approach is expected to reduce 97,217.00 tCO₂e until the end of 2030.</p>														
<p>(c) Duration of the cooperative approach [paragraph 18(g)]</p>	<p>1st of April 2022 – 31st of December 2030</p>														
<p>(d) Expected mitigation for each year of the duration of the cooperative approach [paragraph 18(g)]</p>	<p>Expected GHG mitigation from the cooperative approach:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Year</th> <th style="text-align: center;">Net GHG emission reductions (tCO₂e)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2022</td> <td style="text-align: center;">658.00</td> </tr> <tr> <td style="text-align: center;">2023</td> <td style="text-align: center;">3,711.00</td> </tr> <tr> <td style="text-align: center;">2024</td> <td style="text-align: center;">5,678.00</td> </tr> <tr> <td style="text-align: center;">2025</td> <td style="text-align: center;">8,207.00</td> </tr> <tr> <td style="text-align: center;">2026</td> <td style="text-align: center;">10,735.00</td> </tr> <tr> <td style="text-align: center;">2027</td> <td style="text-align: center;">13,264.00</td> </tr> </tbody> </table>	Year	Net GHG emission reductions (tCO ₂ e)	2022	658.00	2023	3,711.00	2024	5,678.00	2025	8,207.00	2026	10,735.00	2027	13,264.00
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Parameters	Response								
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<p>(e) Participating Parties involved in the cooperative approach [paragraph 18(g)]</p>	<p>Republic of Vanuatu – transferring participating Party: <i>reference</i> : – https://www.nab.vu/news/vanuatu-switzerland-sign-bilateral-agreement https://drive.google.com/file/d/1ydonwSjfluLiLFcRdMmtd3XSxd4i4f0/view?usp=sharing</p> <p>Switzerland – receiving participating Party: FOEN registered compensation projects abroad (admin.ch).</p>								
<p>(f) Authorized entities [paragraph 18(g)]</p>	<p>NGEF Department of Energy United Nations Development Programme</p>								
<p>(g) Description of how the cooperative approach ensures environmental integrity [paragraph 18(h), to be updated by paragraph 22(b)]</p>									
<p>i. Description of how the cooperative approach ensures that there is no net increase in global emissions within and between NDC implementation periods [paragraph 18(h)(i), to be updated by paragraph 22(b)(i)]</p>	<p>As presented in the Mitigation Activity Design Document (MADD)¹⁰, a robust monitoring scheme will be implemented, promoting the shift from fossil fuel-based electricity generation to solar energy. As a summary, the Mitigation Activity's monitoring follows the approved small-scale methodology AMS I.L. – Electrification of rural communities using RE (Version 03.0 Sectoral scope(s): 01)¹¹. For individual installations, the annual amount of RE supplied to a facility shall be monitored as per Option 1: measure the net amount of RE delivered to each consumer connected to the project's RE generation system(s). To ensure a robust monitoring, a consolidated quarterly report shall be generated and will be submitted to the Department of Energy for record keeping.</p> <p>The cooperative approach will have continuous monitoring, hourly measurement and at least monthly recording. The increased production and use of solar energy will enable permanent emission reductions. As such, ITMOs from this cooperative approach will be eligible for international transfer and use towards NDC compliance, when achieved within the first NDC implementation period of the Republic of Vanuatu (2021 – 2030), including 2030 vintage.</p> <p>These ITMOs can only be used towards use of an NDC of the same implementation period (until 2030). The latter ensures that there cannot be a net increase in global emissions between NDC periods.</p>								

¹⁰ Presented MADD for the Electrification of Vanuatu's Inhabited Islands through Solar Power ITMO Programme: MADD Vanuatu – Solar Power Electrification Program (project ID number 5005)

¹¹ Utilized CDM methodology: Electrification of rural communities using renewable energy --- Version 3.0 (unfccc.int)

Parameters	Response
<p>ii. Description of how the cooperative approach ensures environmental integrity through robust, transparent governance and the quality of mitigation outcomes, including through conservative reference levels and baselines set in a conservative way and below 'business as usual emission projections (including by taking into account all existing policies and addressing uncertainties in quantification and potential leakage)</p> <p>[paragraph 18 (h)(ii), to be updated by paragraph 22(b)(ii)]</p>	<p>As mentioned above, the full methodological details of the cooperative approach, including the environmental integrity (EI) criteria, can be found in the cooperative approach's MADD. As a summary, the Mitigation Activity shall respect general EI criteria as follows:</p> <p>Additionality: the cooperative approach will facilitate the National Green Energy Fund (NGEF) to improve energy access for households and businesses in rural and peri urban areas. Also, it tackles a fully conditional Mitigation Priority Area for Vanuatu and has solar powered rural electrification has been included in Vanuatu's positive list of ITMO activities. Therefore, the needed ITMO revenues will make the implementation of this Activity feasible, helping facilitate a green transition in Vanuatu, and contributing to the achievement of NDC targets, including the financial sustainability on NGEF operations. As such, the Activity's implementation will allow the NGEF to provide subsidized equipment to enhance the affordability by its customers namely, public institutions, businesses, and households to connect following the 100% access policy of the Updated Vanuatu NERM (2016 – 2030), of which the NGEF is a key instrument.</p> <p>Sustainable Development: the NERM Implementation Plan (2019), prioritizes energy projects that strategically contribute to the achievement of Vanuatu's National Sustainable Development Plan, the Peoples Plan (2016 – 2030) goals and the NERM targets. Thus, the cooperative approach has significant sustainable development impacts and will be directly covering (at least) nine Sustainable Development Goals (SDGs).</p> <p>Grievances and appeals: the cooperative approach ensures that all stakeholders during the ITMO program's implementation and operations shall be engaged through a grievance mechanism and shall have the opportunity to confidentially submit complaints to the host and buying countries engaged in the cooperative approach, including specific focal points from Vanuatu and Switzerland.</p> <p>Measurable and independently verified ITMOs: as aforementioned, the cooperative approach will implement a robust monitoring scheme, ensuring that emission reductions are properly quantified. Additionally, such monitoring reports will be assessed by both Parties as well as a third-party, independent, accredited validation and verification bodies (VVBs). This ensures that emissions quantification is robust, and over-crediting risks are minimized.</p>
<p>iii. Description of how the cooperative approach is minimizing the risk of non-permanence of mitigation across several NDC periods and how, when reversals of emission reductions or removals occur, the cooperative approach will ensure that these are addressed in full</p> <p>[paragraph 18(h)(iii), to be updated by paragraph 22(b)(iii)]</p>	<p>Within this cooperative approach, the risk of non-permanence has been considered low. The Activity considers a robust governance structure and institutional set-up, with clearly identified roles and responsibilities, that shall facilitate its implementation and ensure that the Activity will persist even after its crediting period.</p> <p>Furthermore, through the generated ITMO revenues, the NGEF will be strengthened and further capitalized increasing the needed concessional loans and equipment subsidies to overcome energy access barriers in Vanuatu. As such, a higher capitalized NGEF, through these additional revenues from carbon finance will increase offtake of solar power by public and private end users.</p> <p>Also, for each authorized ITMO project by the Republic of Vanuatu, 5% of verified ITMOs shall be withheld by the government into a buffer account so that it may potentially use these credits towards own NDC compliance or Overall Mitigation of Global Emissions (OMGE).</p> <p>Finally, the deployment of off-grid solar installations for electricity generation will improve energy access and accelerate a shift from fossil-fuel based to RE.</p>

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Parameters	Response
<p>(h) Additional description of the cooperative approach [paragraph 18(i)]</p>	
<p>i. Description of how the cooperative approach minimizes and, where possible, avoids negative environmental, economic, and social impacts [paragraph 18(i)(i), to be updated by paragraph 22(f)]</p>	<p>The Republic of Vanuatu aims to implement 13 mitigation activities to achieve absolute emission reductions of 157 MtCO₂e by 2030. All Mitigation Activities are fully conditional and more importantly, solar powered rural electrification has been included in Vanuatu’s positive list of ITMO activities.</p> <p>Therefore, the cooperative approach fully complies with Vanuatu’s NDC environmental, economic and social targets and will be implemented within the umbrella of a mutually agreed voluntary mechanism between the Republic of Vanuatu and the Swiss Confederation, in accordance with Decision 2/CMA.3 as the guidance for implementing Article 6.2 of the Paris Agreement.</p> <p>In addition, the cooperative approach was designed to avoid negative environmental, economic or social impacts. Thus, the positive impacts of the Activity are a key part of the program design and are specified with regard to the United Nations’ (UN) SDGs in the MADD documentation.</p> <p>Finally, as mentioned, the cooperative approach ensures that all stakeholders during the ITMO program’s implementation and operations shall be engaged through a grievance mechanism and shall have the opportunity to confidentially submit complaints to the host and buying countries</p>
<p>ii. Description of how the cooperative approach reflects the eleventh preambular paragraph of the Paris Agreement, acknowledging that climate change is a common concern of humankind, Parties should, when taking action to address climate change, respect, promote and consider their respective obligations to 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 [paragraph 18(i)(ii), to be updated by paragraph 22(g)]</p>	<p>General description: per the <i>Implementing Agreement to the Paris Agreement between the Republic of Vanuatu and the Swiss Confederation</i> (hereinafter referred to as the <i>Cooperation Agreement Vanuatu-Switzerland</i>), ITMOs will not be recognized in case of evidence for violation of human rights during the implementation of the Activity. Thereby, the eleventh preambular paragraph of the Paris Agreement is operationalized in a robust manner in the Cooperation Agreement Vanuatu-Switzerland. As such, both Parties fully subscribe to the view that they should, when taking action to address climate change, respect, promote, and consider their respective inalienable human rights obligations, including the consideration for gender equality and gender sensitive policies, intergenerational equity, and the needs of particularly vulnerable groups.</p> <p>Activity specific description: the Activity considered in this cooperative approach has no risk in relation to the listed elements above. The program will undergo an SDG Impact Assessment through the Climate Action Impact Tool, which is integrated in the monitoring, reporting and verification procedures. Potential impacts and risks are assessed and graded from low to high. Significant high-risk factors will require additional assessments regarding risk mitigation within the proposed activity. Finally, as aforementioned, in the event that social issues occur during the Activity’s implementation, the cooperative approach ensures that all stakeholders shall be engaged through a grievance mechanism and shall have the opportunity to confidentially submit complaints to the host and buying countries.</p>

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Parameters	Response
<p>iii. Description of how the cooperative approach is consistent with the sustainable development objectives of the Party, noting national prerogatives</p> <p>[paragraph 18(i)(iii), to be updated by paragraph 22(h)]</p>	<p>The Cooperation Agreement Vanuatu-Switzerland requires both participating Parties to review a Mitigation Activity against its consistency with sustainable development and the country's relevant strategies where applicable, such as Vanuatu's NDC, the NERM (2016 – 2030), the Peoples Plan (2016 – 2030), amongst others.</p> <p>As such, the Activity's MADD showcases that the project will have a positive impact on nine SDGs beyond SDG13 to enable climate action. This includes access to clean energy (SDG7), economic benefits from improved energy access (SDGs 1, 2, 8, 9 and 17) and positive social impacts (SDGs 3 and 4).</p>
<p>iv. Description of how the cooperative approach applies any safeguards and limits set out in further guidance from the CMA pursuant to chapter III.D</p> <p>[paragraph 18(i)(iv), to be updated by paragraph 22(i)]</p>	<p>Not Applicable (N/A)</p>
<p>v. Description of how the cooperative approach contributes resources for adaptation pursuant to chapter VII (Ambition in mitigation and adaptation actions), if applicable</p> <p>[paragraph 18(i)(v), to be updated by paragraph 22(j)]</p>	<p>The Republic of Vanuatu is NOT receiving direct financial adaptation contribution as a transferring participating Party within the scope of this cooperative approach.</p> <p>The receiving participating Party in the cooperative approach, the Swiss Confederation, has announced voluntary contributions to the Adaptation Fund of CHF 15 million in 2019 and CHF 10 million in 2021. These contributions were made to provide resources for adaptation, because of the effectivity of the fund and its thematic focus to supporting developing countries in their efforts to adapt to the adverse effects of climate change and as encouraged in the Annex to Decision 2/CMA.3</p>
<p>vi. Description of how the cooperative approach delivers overall mitigation in global emissions pursuant to chapter VII (Ambition in mitigation and adaptation actions), if applicable</p> <p>[paragraph 18(i)(vi), to be updated by paragraph 22(k)]</p>	<p>As previously addressed, for each authorized ITMO project by the Republic of Vanuatu, 5% of verified ITMOs shall be withheld by the government into a buffer account so that it may potentially use these credits towards own NDC compliance or Overall Mitigation of Global Emissions (OMGE)</p>

Submitted on behalf of the Republic of Vanuatu by:

Mr. Anthony Garae, Director, Department of Energy, Ministry of Climate Change
PMB 9074, Republic of Vanuatu

For further information, contact the Vanuatu Carbon Market Office via:

iiercet@vanuatu.gov.vu

