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**Report on the technical expert review under Article 6,  
paragraph 2, of the Paris Agreement of the initial report  
referred to in chapter IV.A (Initial report) of the annex to  
decision 2/CMA.3 of Mongolia**

**Addendum**

*Summary*

This addendum to the report on the technical expert review under Article 6, paragraph 2, of the Paris Agreement of the initial report referred to in chapter IV.A (Initial report) of the annex to decision 2/CMA.3 of Mongolia, conducted by an Article 6 technical expert review team in accordance with chapter V (Review) of the annex to decision 2/CMA.3, the guidelines for the Article 6 technical expert review, contained in annex II to decision 6/CMA.4, and chapter VII (Process for identifying, notifying and correcting inconsistencies) of decision 4/CMA.6, contains the results of the review of the consistency of the information submitted by the Party with the reporting requirements in paragraph 18 of the annex to decision 2/CMA.3 and, as relevant, with the supplementary elements of information listed in annex I to decision 4/CMA.6. It presents the recommendations of the Article 6 technical expert review team relating to the areas it has identified for improvement of consistency with the reporting requirements as well as any capacity-building needs identified by the Article 6 technical expert review team in consultation with Mongolia during the review, including the review week that took place from 8 to 12 December 2025 in Bonn.



## Abbreviations and acronyms

CMA	Conference of the Parties serving as the meeting of the Parties to the Paris Agreement
CO <sub>2</sub> eq	carbon dioxide equivalent
GHG	greenhouse gas
IPCC	Intergovernmental Panel on Climate Change
ITMO	internationally transferred mitigation outcome
JCM	Joint Crediting Mechanism
LULUCF	land use, land-use change and forestry
MECC	Ministry of Environment and Climate Change of Mongolia
MRV	measurement, reporting and verification
NDC	nationally determined contribution
TERT	technical expert review team

## I. Recommendations<sup>1</sup> relating to the areas for improvement identified during the technical expert review of the Party's initial report

1. Tables 1–2 present the recommendations of the Article<sup>2</sup> 6 TERT relating to the areas for improvement,<sup>3</sup> identified during the technical expert review under Article 6, paragraph 2, of the initial report<sup>4</sup> of Mongolia, of the consistency of the information submitted by the Party with the requirements in paragraph 18 of the annex to decision 2/CMA.3 and, as relevant, with the supplementary elements of information listed in annex I to decision 4/CMA.6.<sup>5</sup>

2. The recommendations are to be implemented for the Party's next relevant submission of information as per chapter IV (Reporting) of the annex to decision 2/CMA.3, unless otherwise specified. Recommendations for future reporting assume the submission of relevant and up-to-date information at the time of that reporting.

3. The recommendations may also be considered by the Party in the context of reporting the information referred to in paragraph 18(g–i) of the annex to decision 2/CMA.3 for any further Article 6, paragraph 2, cooperative approaches in which it is a participating Party as per paragraph 19 of the annex to the same decision, as relevant.

Table 1

**Recommendations relating to identified areas for improvement of the consistency of the general information included in Mongolia's initial report with the requirements in paragraph 18(a–f) of the annex to decision 2/CMA.3 and, as relevant, with the supplementary elements of information listed in annex I to decision 4/CMA.6**

<i>ID#</i>	<i>Element of information to be reported</i>	<i>Description of area for improvement with recommendation</i>
18.A/4.C	The Party has arrangements in place for authorizing the use of ITMOs towards achievement of NDCs pursuant to Article 6, paragraph 3 (decision 2/CMA.3, annex, para. 4(c))	<p>Mongolia reported that it authorizes the use of credits issued under the JCM, the cooperative approach in which it is participating with Japan, as ITMOs towards achievement of NDCs, in accordance with the JCM bilateral documents between Japan and Mongolia, and that the responsible authority for authorization is the MECC.</p> <p>However, the information reported by Mongolia was not found to be sufficiently transparent or complete since specific information about the implementation by the MECC of authorization arrangements (including for authorization of the cooperative approach, ITMOs and entities, as defined in paragraph 3 of decision 4/CMA.6) was not reported in the initial report and could not be found in the JCM bilateral documents.</p> <p>The Article 6 TERT has determined this inconsistency to be significant, considering that having authorization arrangements in place, including for authorizing cooperative approaches, ITMOs and entities, consistently with relevant decisions of the CMA, is a requirement for participating in cooperative approaches and essential for ensuring environmental integrity, particularly in order to avoid double counting and prevent any impact on the emissions balance and/or adjusted indicator.</p> <p>During the review, Mongolia provided additional information on the authorization process being developed by its Government, with a two-step approach envisioned: (1) authorization of the JCM as a cooperative approach and (2) authorization of ITMOs and entities. The rules of implementation for the JCM applicable to Japan and Mongolia specify that each participating Party authorizes JCM credits issued in the JCM registry for use towards achievement of NDCs. Once the authorization process has been confirmed, this will be communicated in an updated initial report.</p>

<sup>1</sup> As referred to in decision 6/CMA.4, annex II, para. 5(a).

<sup>2</sup> "Article" in this report refers to an Article of the Paris Agreement.

<sup>3</sup> Referenced in document FCCC/A6/IRTErr.1/2025/MNG, tables 2–3.

<sup>4</sup> Referred to in decision 2/CMA.3, annex, chap. IV.A (Initial report).

<sup>5</sup> Such supplementary elements, as referred to in this report, are requested, but not required, to be incorporated in the (updated) initial report as per para. 18 of decision 4/CMA.6. The supplementary elements of information to be reported are written in italics in the tables in this report.

ID#	<i>Element of information to be reported</i>	<i>Description of area for improvement with recommendation</i>
18.A/4.D	<p>The Party has arrangements in place that are consistent with the guidance in the annex to decision 2/CMA.3 and relevant decisions of the CMA for tracking ITMOs (decision 2/CMA.3, annex, para. 4(d))</p>	<p>Mongolia explained that it is drafting a national climate change law, which will define the authority responsible for issuing authorizations and clarify Mongolia’s participation in bilateral and multilateral cooperation under Article 6, among other provisions. The MECC is designated in the draft climate change law as Mongolia’s central administrative authority for overseeing climate policy, approving methodologies and supervising the national coordinating authority, which will manage the national registry for ITMOs, authorize carbon credit projects and ensure compliance with technical and economic requirements. Additionally, an interministerial coordination system will support cross-sectoral oversight. Mongolia plans to submit the law to parliament in the 2026 spring session.</p> <p>According to the Party, the rules and guidelines for implementing Article 6 in the country are being developed in parallel and are planned to be submitted to the Government together with the draft climate change law for approval. Within Mongolia’s legal framework, no procedures or regulations can be adopted without a foundational law; hence the Party has spent over three years drafting the climate change law. Once it has been adopted, regulations specific to Article 6, such as rules, MRV procedures, transparency frameworks, carbon market guidelines and NDC tracking systems, can be developed and Mongolia can legally approve and implement a process for authorizing ITMOs. The adoption of the law is therefore a critical prerequisite for establishing the full regulatory architecture needed to operationalize climate policy and Article 6 implementation in the country.</p> <p>The information provided during the review clarified the stage of development of the Party’s authorization arrangements, including for authorization of cooperative approaches, ITMOs and entities, the envisioned role of the MECC in that authorization and the importance of the draft climate change law for establishing relevant procedures and regulations within Mongolia.</p> <p>The Article 6 TERT acknowledges the additional information provided by Mongolia, but recommends that the Party include information in its future reporting on its agreed arrangements for authorization of cooperative approaches, ITMOs and entities, taking into consideration the process for and timing of the authorization described in paragraphs 2–4 of decision 4/CMA.6. The Article 6 TERT also recommends that the Party include in its future reporting specific references to articles of the approved national climate change law and/or other documentation relevant to the authorization arrangements.</p> <p>Mongolia reported that it developed a web-based JCM registry system within the JCM registry in 2022 as its arrangements for tracking JCM credits. The system was developed in accordance with the “Common Specifications of the JCM Registry”, which have been agreed with the Government of Japan. It defines the identifiers used for issued JCM credits, as well as defining transfer, acquisition, cancellation and retirement from use, for achievement of NDCs. The “Common Specifications of the JCM Registry” also specify the operational rules of the JCM registry, including provisions in relation to accounts, issuance of JCM credits, transaction records and publicly accessible information.</p> <p>However, the information provided by Mongolia was not found to be sufficiently transparent or complete, as well as being inconsistent with the information provided by Japan during the review, indicating that the “Common Specifications of the JCM Registry” do not require information related to authorization or the vintage of the underlying mitigation outcome to be included in the unique identifier; and that it is implementing a provisional ITMO registry as well as a new JCM registry system to ensure that all requirements in annex I to decision 6/CMA.4 can be met.</p> <p>The Article 6 TERT has determined this inconsistency to be significant, considering that having arrangements in place for tracking ITMOs, consistently with relevant decisions of the CMA, is a requirement for participating in cooperative approaches and essential for ensuring</p>

ID#	<i>Element of information to be reported</i>	<i>Description of area for improvement with recommendation</i>
18.A/4.E	The Party has provided the most recent national inventory report required in accordance with decision 18/CMA.1 (decision 2/CMA.3, annex, para. 4(e))	<p>environmental integrity, particularly in order to avoid double counting and prevent any impact on the emissions balance and/or adjusted indicator.</p> <p>During the review, Mongolia noted its plans to establish a national carbon registry system in 2026 as part of its carbon market readiness efforts. This initiative, funded by the Green Climate Fund and supported by the United Nations Development Programme in Mongolia, involves collaboration between the MECC and the Ministry of Economy and Development and the Ministry of Finance of Mongolia. The registry will be a key component of the architecture for managing carbon credits and supporting implementation of Mongolia's climate policy.</p> <p>The Article 6 TERT acknowledges the additional information provided by Mongolia, but recommends that the Party ensure that it has (or has access to) a fully operational registry for tracking ITMOs that complies with all requirements in annex I to decision 6/CMA.4. The Article 6 TERT also recommends that Mongolia include information in its future reporting to demonstrate that the registry used to track ITMOs complies with all requirements in annex I to decision 6/CMA.4.</p> <p>Mongolia reported that it submitted its most recent national inventory report as an annex to its second biennial update report in 2023.</p> <p>However, Mongolia reported information that is not consistent with the reporting requirement, given that the most recent national inventory should be the one reported in accordance with decision 18/CMA.1. The Article 6 TERT noted that Mongolia had not yet submitted a biennial transparency report with a national inventory report as required in accordance with decision 18/CMA.1.</p> <p>During the review, Mongolia provided additional information, explaining that its first biennial transparency report, including the national inventory report, was initially submitted on 31 December 2024. However, following an internal quality assessment by the MECC, both reports were found to require technical improvements and were withdrawn for revision. This was due largely to the Party's limited technical capacity and expertise in relation to GHG inventory preparation, leading to technical issues in preparing the inventory for the energy and industrial processes sectors, including inconsistencies in applying methodologies, data gaps and difficulty validating emission factors. The revision was taking place under a project supported by the Global Environment Facility that involved incorporating significant methodological improvements. The most recent national inventory report, once updated in line with the enhanced transparency framework under the Paris Agreement, was planned to be finalized and resubmitted with the updated biennial transparency report by 2026.</p> <p>The Article 6 TERT acknowledges the additional information provided by Mongolia and recommends that Mongolia clearly indicate in its future reporting the status of submission of its latest national inventory report required in accordance with decision 18/CMA.1, emphasizing that the national inventory report is essential for applying corresponding adjustments in a manner that ensures transparency, accuracy, completeness, comparability and consistency.</p>
18.A/4.F	The Party's participation in any cooperative approach 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 (decision 2/CMA.3, annex, para. 4(f))	<p>Mongolia reported that it intends to use carbon markets under Article 6 to promote implementation of mitigation activities that are additional to its domestic efforts and will contribute to the implementation of its NDC.</p> <p>However, the information reported by Mongolia was not found to be sufficiently transparent or complete in relation to whether the cooperative approach in which it is participating (i.e. the JCM) is related to achieving a particular NDC target and/or reducing GHG emissions from a particular source, sector or category, and how its participation in the cooperative approach contributes to achieving the long-term goals of the Paris Agreement.</p> <p>During the review, Mongolia provided additional information, explaining that its participation in the JCM is linked to promoting mitigation activities that</p>

ID#	Element of information to be reported	Description of area for improvement with recommendation
18.D	<p>Quantification of the Party’s mitigation information in its NDC in t CO<sub>2</sub> eq, including the 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, provision of the methodology for the quantification of the NDC in t CO<sub>2</sub> eq (decision</p>	<p>will contribute to the achievement of its NDC. Mongolia explained that, in the NDC submitted in 2019, it committed to an unconditional target of a 22.7 per cent (16.9 Mt CO<sub>2</sub> eq) reduction in total national GHG emissions by 2030 compared with the ‘business as usual’ scenario; and that its participation in the JCM will support the implementation of the mitigation activities necessary for achieving the higher, conditional, target of a 27.2 per cent emission reduction (requiring an additional 3.3 Mt CO<sub>2</sub> eq reduction through conditional measures) by helping the Party to secure international support and cooperation.</p> <p>Mongolia also explained that, in the updated NDC (submitted in 2025), its mitigation ambitions were enhanced, with unconditional targets of a 23.0 per cent emission reduction by 2030 (16.0 Mt CO<sub>2</sub> eq) and a 30.3 per cent emission reduction by 2035 (24.7 Mt CO<sub>2</sub> eq) compared with the ‘business as usual’ scenario. To meet these unconditional targets, as well as achieve the conditional targets (additional reductions of 1.8 Mt CO<sub>2</sub> eq by 2030 and 3.9 Mt CO<sub>2</sub> eq by 2035), the Party requires adequate international financial, technological and technical support, access to which participation in the JCM facilitates.</p> <p>In relation to the contribution to the achievement of the long-term goals of the Paris Agreement, Mongolia explained that its participation in the JCM has enabled its mitigation ambition to be enhanced beyond the unconditional NDC target through appropriate evaluation of the GHG emission reductions or removals achieved through the diffusion in Mongolia of leading decarbonizing technologies, products, systems and services, and offers opportunities for climate-resilient socioeconomic development and access to international support. Mongolia’s participation in the JCM aligns with the country’s commitment to achieving net zero emissions by 2050 and supports its implementation of national policy frameworks like Vision 2050. The use of mechanisms under Article 6 facilitates global action for emission reductions and removals, thereby contributing to achieving the long-term goals of the Paris Agreement.</p> <p>Mongolia further explained that the updated NDC does not include goals or explanations for how Mongolia intends to use mechanisms under Article 6, particularly through cooperative approaches such as the JCM, towards achieving its NDC. To address this, the MECC, together with sectoral experts and representatives of other ministries, was engaged in a comprehensive revision of the NDC to ensure that it reflects clear strategies and commitments for achieving Mongolia’s climate goals through the use of Article 6 mechanisms. The revision was expected to be finalized in January 2026.</p> <p>The Article 6 TERT acknowledges the additional information provided by Mongolia and considers it relevant to the reporting requirement. Therefore, the Article 6 TERT recommends that Mongolia include the information in its future reporting, explaining how participation in the cooperative approach will contribute to the Party achieving both its 2030 and 2035 NDC targets.</p> <p>Mongolia reported that the target emission level for achieving the NDC is 57.4 Mt CO<sub>2</sub> eq in 2030 without LULUCF, and that the NDC covers all source categories defined in the <i>2006 IPCC Guidelines for National Greenhouse Gas Inventories</i>.</p> <p>However, the information reported by Mongolia was not found to be sufficiently transparent or complete in relation to the scope of GHG emissions and removals covered by the NDC, particularly whether emissions and removals from LULUCF are considered.</p> <p>During the review, Mongolia provided additional information, explaining that the target emission level of 57.4 Mt CO<sub>2</sub> eq in 2030 is without LULUCF. While the NDC covers all source categories defined in the <i>2006 IPCC Guidelines for National Greenhouse Gas Inventories</i>, the 57.4 Mt CO<sub>2</sub> eq target emission level reflects mitigation of emissions from sources (energy and non-energy sectors) excluding LULUCF. LULUCF removals were</p>

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	2/CMA.3, annex, para. 18(d))	<p>quantified separately in the NDC submitted in 2019 as a forest sink of 2.6 Mt CO<sub>2</sub> eq as part of a conditional target.</p> <p>The Party explained that the Government approved the emission reduction target for the NDC submitted in 2019 of 22.7 per cent prior to the completion of updated estimates of removals from forests. Consequently, LULUCF removals had not been incorporated into the initial baseline or target trajectory at that time. Subsequently, updated estimates of forest-related removals, amounting to 2.6 Mt CO<sub>2</sub> eq, were incorporated into the conditional component of the NDC. Mongolia emphasized that the 2.6 Mt CO<sub>2</sub> eq represents the forest sink contribution that is conditional and is therefore accounted for separately from the 57.4 Mt CO<sub>2</sub> eq target emission level for 2030. In future, these removals will be integrated alongside sectoral mitigation of emissions from source categories other than LULUCF into the calculations for the conditional NDC target.</p> <p>Mongolia also explained that the baseline and mitigation trajectory for the unconditional NDC target are consistently constructed without LULUCF. For the conditional target, however, LULUCF removals will be incorporated into the calculations in accordance with the methodological framework applied during the enhancement of the NDC submitted in 2019. This incorporation ensures methodological consistency between the Government-endorsed NDC target and the subsequently updated LULUCF figures.</p> <p>The Article 6 TERT acknowledges the additional information provided by Mongolia and considers it relevant to the reporting requirement. Therefore, the Article 6 TERT recommends that Mongolia include the information in its future reporting, clarifying that LULUCF removals were quantified separately for the NDC submitted in 2019 as a forest sink of 2.6 Mt CO<sub>2</sub> eq as part of a conditional target. The Article 6 TERT also recommends that in its future reporting the Party clearly specify whether LULUCF emissions and removals are included or excluded from quantified NDC targets, and explain the structure of the unconditional and conditional components of the NDC.</p>

Table 2

**Recommendations relating to identified areas for improvement of the consistency of the information included in Mongolia’s initial report with the requirements in paragraph 18(g–i) of the annex to decision 2/CMA.3 and, as relevant, with the supplementary elements of information listed in annex I to decision 4/CMA.6 for cooperative approach CA0008, “The Joint Crediting Mechanism (JCM), established under the ‘Low Carbon Development Partnership’ between the Governments of Mongolia and Japan, operates in accordance with Article 6 of the Paris Agreement”**

ID#	<i>Element of information to be reported</i>	<i>Description of area of improvement with recommendation</i>
18.G.1	Copy of the authorization by the participating Party (decision 2/CMA.3, annex, para. 18(g))	<p>Mongolia reported that it authorizes JCM credits issued in the JCM registry of Japan, JCM projects issuing JCM credits and legal entities acquiring JCM credits, on the basis of notification from the Joint Committee established as the governing body of the JCM, which consists of representatives from Mongolia and Japan, in line with the JCM bilateral documents, rules and guidelines. Mongolia also reported that relevant authorization documents will be available on the JCM website.</p> <p>However, the information reported by Mongolia was not found to be sufficiently transparent or complete. The Article 6 TERT could not find any authorization documents for the JCM on the referenced website or the centralized accounting and reporting platform, and noted that there are several projects for Mongolia in the JCM registry, but no authorization documents could be found for them.</p> <p>The Article 6 TERT has determined this inconsistency to be significant, considering that providing a copy of the authorization, consistently with relevant decisions of the CMA, is a requirement for participating in cooperative approaches and essential for ensuring environmental integrity,</p>

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18.G.2	Description of the cooperative approach (decision 2/CMA.3, annex, para. 18(g))	<p>particularly in order to avoid double counting and prevent any impact on the emissions balance and/or adjusted indicator.</p> <p>During the review, Mongolia provided additional information, explaining that the authorization documents for the use of ITMOs are not yet available on the JCM website because the authorization process is being developed by the Mongolian Government, including defining authorized entities, clarifying responsibilities and establishing procedures for issuing and transferring ITMOs. Once the draft climate change law and related Article 6 regulations have been finalized, the complete authorization framework, along with associated documents such as the list of authorized entities, will be published on the JCM website and reflected in an updated initial report. The revision of the authorization documents during the finalization process entailed the inclusion of procedures for the authorization of mitigation outcomes as ITMOs, CO<sub>2</sub> equivalent quantification in accordance with IPCC methodologies, registration through the registry system and operationalization of corresponding adjustments to prevent double counting.</p> <p>Mongolia also explained that it is prioritizing the completion of the draft climate change law and Article 6 regulations in order to meet the requirements of the UNFCCC and partner countries for engaging in cooperative approaches.</p> <p>The Article 6 TERT acknowledges the additional information provided by Mongolia, but recommends that the Party include in its future reporting a copy of the authorization, covering all three components of authorization, as applicable, as required by paragraph 3 of decision 4/CMA.6 (i.e. authorization of the cooperative approach, ITMOs and entities). The Article 6 TERT also recommends that, when providing a copy of the authorization, Mongolia ensures it has taken into consideration all the elements described in paragraph 5 of decision 4/CMA.6.</p>
18.G.3	Duration of the cooperative approach (decision 2/CMA.3, annex, para. 18(g))	<p>Mongolia reported that it is implementing the JCM in order to appropriately evaluate GHG emission reductions or removals in a quantitative manner achieved through the diffusion of decarbonizing technologies, products, systems, services and infrastructure, as well as implementation of mitigation actions for achieving its emission reduction targets.</p> <p>However, the information reported by Mongolia was not found to be sufficiently transparent or complete since the Article 6 TERT noted that six projects for Mongolia are in the JCM registry but it was unclear whether they are part of the cooperative approach or not.</p> <p>During the review, Mongolia provided additional information, explaining that those six projects are part of the cooperative approach. However, the Party clarified that, since the crediting period for three of the projects ended prior to 2022, those are not included as part of Mongolia's current cooperation under Article 6.</p> <p>The Article 6 TERT acknowledges the additional information provided by Mongolia and considers it relevant to the reporting requirement. Therefore, the Article 6 TERT recommends that Mongolia include the information in its future reporting, clarifying which of the projects in the JCM registry are part of the cooperative approach in which it is participating.</p> <p>Mongolia reported the duration of the cooperative approach as 8 January 2013 to 8 January 2030 and explained that the duration will be extended before the end of 2030.</p> <p>However, the information reported by Mongolia was not found to be sufficiently transparent or complete, particularly in relation to extending the duration of the cooperative approach beyond the NDC implementation period (reported as 2021–2030).</p> <p>During the review, Mongolia provided additional information, explaining that, in accordance with the rules of implementation for the JCM, any extension of the duration of the cooperative approach will be considered</p>

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18.G.6	Authorized entities for the cooperative approach (decision 2/CMA.3, annex, para. 18(g))	<p>through consultations between the Governments of Japan and Mongolia before 2030.</p> <p>Mongolia also explained that it anticipates that its cooperative approaches under Article 6, including its participation in the JCM, will continue until at least 2035, reflecting practices observed in negotiations with Singapore and Switzerland. Mongolia intends to pursue the extension of its bilateral agreement with Japan to ensure long-term implementation of Article 6 activities. Mongolia explained that, for achieving the 2035 NDC target it requires adequate international financial, technological and technical support, access to which participation in the JCM facilitates.</p> <p>The Article 6 TERT acknowledges the additional information provided by Mongolia and considers it relevant to the reporting requirement. Therefore, the Article 6 TERT recommends that Mongolia include the information in its future reporting.</p> <p>Mongolia reported that it does not consider this requirement to be applicable to its reporting.</p> <p>However, the information reported by Mongolia was not found to be sufficiently transparent or complete since the Article 6 TERT noted six projects for Mongolia in the JCM registry, but it was unclear whether the project participants are authorized entities for the cooperative approach.</p> <p>During the review, Mongolia provided additional information, explaining that the authorization process for the cooperative approach, which includes the authorization of ITMOs and entities, is being developed by the Mongolian Government. Once the authorized entities have been confirmed, they will be communicated in an updated initial report; and once the authorization process has been finalized, the Mongolian Government will consider authorizing (or declining, as appropriate) the JCM registry project participants listed in the project design document.</p> <p>The Article 6 TERT acknowledges the additional information provided by Mongolia, but recommends that the Party include information in its future reporting on the authorized entities for the cooperative approach, clarifying whether the participants in the projects in the JCM registry are authorized entities.</p>
18.H.1	How the cooperative approach ensures environmental integrity, including that there is no net increase in global emissions within and between NDC implementation periods (decision 2/CMA.3, annex, para. 18(h)(i))	<p>Mongolia reported that, in the JCM methodologies for ensuring environmental integrity, conservative baselines, known as reference emissions, that are set below the baseline emission level are used. It also reported that a robust MRV system is used under the JCM to ensure the quality of the mitigation outcomes and that, to ensure that there is no net increase in global emissions, the Governments of Japan and Mongolia apply corresponding adjustments to avoid double counting of ITMOs in accordance with the guidance contained in the annex to decision 2/CMA.3.</p> <p>However, the information reported by Mongolia was not found to be sufficiently transparent or complete in relation to methods, assumptions and rationality to demonstrate how applying conservative baselines, a robust MRV system and corresponding adjustments ensures that there is no net increase in global emissions within and between NDC implementation periods. The Article 6 TERT noted that applying corresponding adjustments avoids the risk of double counting of ITMOs but could still lead to a net increase in global emissions.</p> <p>The Article 6 TERT has determined this inconsistency to be significant, considering that demonstrating that the cooperative approach ensures environmental integrity, including that there is no net increase in global emissions within and between NDC implementation periods, is essential to prevent any impact on the emissions balance and/or adjusted indicator.</p> <p>During the review, Mongolia provided additional information relating to how the JCM ensures environmental integrity and strengthens it through use of conservative baselines, continuous monitoring, third-party verification and periodic reassessment, including that there is no net increase in global</p>

ID#	<i>Element of information to be reported</i>	<i>Description of area of improvement with recommendation</i>
		<p>emissions, through a combination of robust accounting mechanisms and conservative baselines:</p> <p>(a) Robust accounting (corresponding adjustments): Mongolia explained that ITMOs result from mitigation activities occurring within the NDC implementation period of 2021–2030; and that, to ensure accountability across this time frame, it will apply corresponding adjustments by calculating the average annual amount of ITMOs first transferred and used in 2021–2030 and using this average consistently throughout those years. According to the Party, this process ensures that the mitigation outcomes acquired by Japan and used towards its NDC are accounted for and subtracted from Mongolia’s national accounting of progress towards its NDC within the same period as when they occurred, thereby avoiding double counting and preventing a net increase in global emissions. Mongolia also explained that applying a single-year NDC target approach and using the average annual quantity of ITMOs transferred during the NDC implementation period ensures accountability, prevents double counting and avoids any net increase in global emissions;</p> <p>(b) Conservative baselines and leakage: Mongolia explained that the JCM ensures environmental integrity through a conservative baseline setting approach, whereby emission reductions are not overestimated, thereby avoiding a net increase in global emissions. According to the Party, all significant GHG emissions, both inside and outside project boundaries, are assessed to control leakage. Owing to current technical capacity constraints, it is leveraging international guidance and technical assistance to strengthen its procedures for establishing conservative baselines, such as under the carbon market readiness project, sector-specific MRV arrangements and baseline scenarios for carbon budgets.</p> <p>The Article 6 TERT acknowledges the additional information provided by Mongolia and considers it relevant to the reporting requirement. Therefore, the Article 6 TERT recommends that Mongolia include the information in its future reporting.</p> <p>In line with Article 6, paragraph 2, which states in part that Parties shall ensure environmental integrity and transparency, including in governance, and apply robust accounting to ensure, inter alia, the avoidance of double counting, the Article 6 TERT also recommends that Mongolia report complete and transparent information on other reporting requirements relevant to how it ensures that it does not contribute to a net increase in global emissions within and between its NDC implementation periods. Other reporting requirements include those set out in the annex to decision 2/CMA.3: how Mongolia’s participation in cooperative approaches 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 (para. 18(a) in relation to para. 4(f)); communication of ITMO metrics and the method for applying corresponding adjustments (para. 18(c)); description of the delivery of overall mitigation in global emissions (para. 18(i)(vi)); and description of how each cooperative approach ensures environmental integrity (para. 18(h)(ii–iii)), including of how ITMOs are real, verified and additional (para. 1(a)). The Article 6 TERT further recommends that Mongolia describe how the approaches it has taken in addressing such other reporting requirements contribute to avoiding a net increase in global emissions within and between NDC implementation periods, as relevant.</p> <p>In addition, the Article 6 TERT recommends that Mongolia explain in its future reporting how it has applied or will apply the accounting provisions set out in paragraphs 8 and 12 of the annex to decision 2/CMA.3 and paragraph 14 of decision 4/CMA.6 and any accounting approaches to addressing the risk of non-permanence of mitigation, in accordance with paragraph 18(h)(iii) of the annex to decision 2/CMA.3, with a view to ensuring the application of robust accounting in relation to ITMOs during and at the end of each NDC period and the corresponding submission of annual information on ITMOs</p>

ID#	<i>Element of information to be reported</i>	<i>Description of area of improvement with recommendation</i>
18.H.2	<p>How the cooperative approach ensures environmental integrity, including through robust, transparent governance and the quality of mitigation outcomes, including through conservative reference levels, 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) (decision 2/CMA.3, annex, para. 18(h)(ii))</p>	<p>made in the agreed electronic format and the structured summary<sup>a</sup> included in the Party’s BTR.</p> <p>Mongolia reported that its participation in the JCM was established by means of bilateral documents signed by the Governments of Japan and Mongolia and that the JCM is implemented in line with relevant domestic laws and regulations. The Joint Committee was established as the governing body of the JCM, consisting of government officials from Japan and each partner country participating in the JCM. All the rules and guidelines, as well as decisions made by the Joint Committee, including calls for public inputs on proposed methodologies and projects, are made publicly available on the JCM website. The Party also reported that methodologies are developed in accordance with the “JCM Guidelines for Developing Proposed Methodology”, which stipulate that reference emissions are to be calculated to be below ‘business as usual’ emissions.</p> <p>However, the information reported by Mongolia was not found to be sufficiently transparent or complete in relation to how applying the “JCM Guidelines for Developing Proposed Methodology” ensures the consideration of all existing policies, addresses uncertainties in quantification and potential leakage, and results in conservative reference levels, baselines set in a conservative way and below ‘business and usual’ emission projections.</p> <p>The Article 6 TERT has determined this inconsistency to be significant, considering that demonstrating that the cooperative approach ensures environmental integrity, including through conservative reference levels, baselines set in a conservative way and below ‘business as usual’ emission projections, is essential to prevent any impact on the emissions balance and/or adjusted indicator.</p> <p>During the review, Mongolia provided additional information, explaining that project participants should reduce, as far as practical, uncertainties related to the quantification of emission reductions. For example, when confidence intervals are set for default values, more conservative values are to be used, and the accuracy of monitoring data is to be improved by calibrating measurement equipment in accordance with domestic laws and regulations. Furthermore, all GHG emissions that are significant and reasonably attributable to the JCM project, regardless of whether they originate from inside or outside a project boundary, are required to be identified in methodologies. Thus, leakage emissions are fully addressed under the JCM since material emissions that may result from the implementation of JCM projects are assessed and calculated as project emissions.</p> <p>Mongolia stated that, regarding conservative baselines, reference emissions are established using at least one of the following criteria:</p> <ul style="list-style-type: none"> <li>(a) Performance efficiency higher than that required by law or regulations;</li> <li>(b) Efficiency higher than that of the equipment or facility with the highest local market share during the latest three years;</li> <li>(c) For renewable power generation technologies, using a grid emission factor lower than that of data made publicly available by Mongolia;</li> <li>(d) For power generation technologies that replace diesel generators, using an emission factor lower than the value derived from the heat efficiency of the most efficient diesel power generator;</li> <li>(e) Using conservative default values for parameters to calculate project emissions that are higher than actual project emissions.</li> </ul> <p>Regarding addressing uncertainty, the proponents of methodologies are required to provide supporting documents to justify their conservative assumptions. Furthermore, all significant GHG emissions attributable to the project (including due to leakage) must be identified; and if significant emissions occur outside the project boundary, the methodology must be revised to address them.</p>

ID#	<i>Element of information to be reported</i>	<i>Description of area of improvement with recommendation</i>
18.H.3	How the cooperative approach ensures environmental integrity, including by 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 (decision 2/CMA.3, annex, para. 18(h)(iii))	<p>The Article 6 TERT acknowledges the additional information provided by Mongolia and considers it relevant to the reporting requirement. Therefore, the Article 6 TERT recommends that Mongolia include the information in its future reporting.</p> <p>Mongolia reported that currently there are no JCM projects in the country carrying the risk of non-permanence of mitigation.</p> <p>However, the information reported by Mongolia was not found to be sufficiently transparent or complete in relation to whether the Party is referring to the projects currently in the JCM registry or whether the scope of the JCM as a cooperative approach does not include projects carrying the risk of non-permanence.</p> <p>During the review, Mongolia provided additional information, confirming that it does not currently have any projects carrying the risk of non-permanence. It explained that, should projects carrying the risk of non-permanence or reversal of emission reductions or removals be implemented, it intends to apply and abide by the established JCM rules and procedures developed by the Joint Committee. Therefore, any updated information regarding the mechanism for addressing non-permanence and reversals will be communicated in an updated initial report. Additionally, Mongolia is revising its national rules and guidelines and the updated framework for the JCM will include provisions on addressing non-permanence.</p> <p>The Article 6 TERT acknowledges the additional information provided by Mongolia and considers it relevant to the reporting requirement. Therefore, the Article 6 TERT recommends that Mongolia include the information in its future reporting and indicate the scope of the expected mitigation activities under the JCM.</p>
18.I.2	How the cooperative approach will reflect the eleventh preambular paragraph of the Paris Agreement, which acknowledges that climate change is a common concern of humankind and notes that Parties should, when taking action to address climate change, respect, promote and consider their respective obligations on 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 (decision 2/CMA.3, annex, para. 18(i)(ii))	<p>Mongolia reported that it monitors the compliance of each JCM project with domestic laws and regulations, ensuring that the eleventh preambular paragraph of the Paris Agreement is respected. Additionally, the “Guideline on Gender Equality for the JCM” was developed to provide basic principles and specific recommendations for encouraging stakeholders, particularly project participants implementing JCM model projects, to consider gender at all stages of the project cycle.</p> <p>However, the information reported by Mongolia was not found to be sufficiently transparent or complete in relation to whether the cooperative approach reflects elements of the eleventh preambular paragraph other than gender, in particular by including procedures or safeguards relevant to the other listed groups and rights (e.g. Indigenous Peoples, local communities, migrants, children, persons with disabilities, people in vulnerable situations, the right to development and intergenerational equity).</p> <p>During the review, Mongolia provided additional information relating to how it monitors the compliance of each JCM project with domestic laws and regulations, ensuring that the eleventh preambular paragraph of the Paris Agreement is respected. Beyond the “Guideline on Gender Equality for the JCM”, the cooperative approach reflects broader social and human-rights considerations in Mongolia’s national policies:</p> <p>(a) Human rights and people in vulnerable situations: Vision 2050 envisages a safe, humane and equitable society for Mongolia by committing it to strengthening national human rights mechanisms, aligning relevant laws with international standards and expanding support for vulnerable households. The updated NDC (submitted in 2025) reinforces these objectives by recognizing the disproportionate impacts of climate change on vulnerable groups and integrating social protection and equity into climate planning;</p> <p>(b) Indigenous Peoples, children and persons with disabilities: The updated NDC includes cross-cutting actions to ensure equal participation in climate-related decision-making processes and equal opportunities to benefit from climate action for children, youth, persons with disabilities, and culturally distinct or marginalized groups, as well as gender-responsive</p>

ID#	<i>Element of information to be reported</i>	<i>Description of area of improvement with recommendation</i>
18.I.5	How the cooperative approach will contribute resources for adaptation pursuant to chapter VII (Ambition in mitigation and adaptation actions) of the annex to decision 2/CMA.3, if applicable (decision 2/CMA.3, annex, para. 18(i)(v))	<p>principles. Vision 2050 complements this by committing to expanding tailored welfare services, supporting child development, strengthening disability-prevention systems, and protecting cultural heritage relevant to Indigenous communities;</p> <p>(c) Local communities and livelihoods: Vision 2050 prioritizes livelihood protection through provision of support for herders and farmers, access to technology and improved early-warning systems. The updated NDC addresses key risks such as rangeland degradation and water scarcity by promoting sustainable water management, pasture restoration, livelihood diversification and community-based adaptation, all of which reinforce sustainable local development under cooperative approaches;</p> <p>(d) Intergenerational equity: Vision 2050 emphasizes the importance of long-term environmental stewardship and the preservation of natural and cultural heritage for future generations. The updated NDC operationalizes this through measures for ecosystem restoration and sustainable management of natural resources, ensuring that JCM activities provide long-term, intergenerational benefits;</p> <p>(e) Procedures and safeguards: The “Guidelines for Developing Sustainable Development Contribution Plan and Report” require project participants to prepare sustainable development contribution plans that describe how the following will be respected, promoted and considered, and sustainable development contribution reports that highlight any issues concerning the following: 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, the empowerment of women and intergenerational equity. The “Guideline on Gender Equality for the JCM” is applicable to projects financially supported by the Government of Japan and is not posted on the JCM website.</p> <p>The Article 6 TERT acknowledges the additional information provided by Mongolia and considers it relevant to the reporting requirement. Therefore, the Article 6 TERT recommends that Mongolia include the information in its future reporting.</p> <p>Mongolia reported that, according to the JCM bilateral documents, the Governments of Japan and Mongolia are both aiming to contribute to adaptation efforts in Mongolia by supporting projects with adaptation co-benefits.</p> <p>However, the information reported by Mongolia was not found to be sufficiently transparent or complete in relation to whether the cooperative approach and/or the projects thereunder would contribute resources for adaptation, or if the cooperative approach would make contributions to other projects with adaptation co-benefits not included in the cooperative approach.</p> <p>During the review, Mongolia provided additional information, explaining that the intention is to make specific contributions for assisting adaptation efforts through the JCM after it has transitioned to a tradable credit type mechanism. The decision on whether these contributions are limited to JCM projects with co-benefits or extend to other projects not included in the cooperative approach is subject to further discussion between Japan and Mongolia. Any finalized information regarding the specific mechanisms for or scope of adaptation contributions will be communicated in an updated initial report.</p> <p>The Article 6 TERT acknowledges the additional information provided by Mongolia and considers it relevant to the reporting requirement. Therefore, the Article 6 TERT recommends that Mongolia include in its future reporting the information and any updates regarding the specific mechanisms for or scope of adaptation contributions through the cooperative approach.</p> <p>Mongolia reported that the aim is for the JCM to deliver overall mitigation in global emissions, and future information on discussions between Japan and Mongolia will be communicated in an updated initial report.</p>
18.I.6	How the cooperative approach will deliver overall mitigation in global emissions pursuant to	

<i>ID#</i>	<i>Element of information to be reported</i>	<i>Description of area of improvement with recommendation</i>
	chapter VII (Ambition in mitigation and adaptation actions) of the annex to decision 2/CMA.3, if applicable (decision 2/CMA.3, annex, para. 18(i)(vi))	<p>However, the information reported by Mongolia was not found to be sufficiently transparent or complete in relation to how overall mitigation in global emissions will be delivered by the current cooperative approach and/or the existing projects in the JCM registry.</p> <p>During the review, Mongolia provided additional information, explaining that the JCM, as a cooperative approach, does not voluntarily deliver overall mitigation in global emissions. The Party also explained that sustainable development considerations are integrated into the design, implementation and monitoring of JCM activities via mandatory sustainable development contribution planning and reporting procedures, and overall mitigation in global emissions is supported through conservative crediting and a robust verification process.</p> <p>The Article 6 TERT acknowledges the additional information provided by Mongolia and considers it relevant to the reporting requirement. Therefore, the Article 6 TERT recommends that Mongolia include the information in its future reporting, clearly explaining that the JCM does not voluntarily deliver overall mitigation in global emissions.</p>

<sup>a</sup> Referred to in decision 18/CMA.1, annex, para. 77(d).

## **II. Capacity-building needs<sup>6</sup> identified by the Article 6 technical expert review team in consultation with the Party during the review of its initial report**

4. Table 3 presents capacity-building needs identified by the Article 6 TERT in consultation with Mongolia during the Article 6 technical expert review of its initial report.

Table 3  
**Capacity-building needs identified in consultation with the Party**

<i>ID#</i>	<i>Element of information to be reported</i>	<i>Area in which capacity-building is needed</i>
1	Institutional and legal arrangements for authorizing ITMOs	Establishing transparent and consistent procedures for authorizing ITMOs, and ensuring that technical staff can address reporting requirements and prepare documentation related to the cooperative approach consistently with relevant CMA decisions
2	Institutional and technical arrangements for tracking ITMOs	Strengthening systems and capacities related to registry infrastructure, legal frameworks and carbon market readiness, including for ensuring compliance with all requirements in annex I to decision 6/CMA.4, particularly regarding interoperability across relevant registries
3	Ensuring environmental integrity	Applying robust baseline methodologies, implementing MRV systems for mitigation activities that generate ITMOs and ensuring transparent governance arrangements for cooperative approaches that uphold environmental integrity and prevent double counting of ITMOs, in line with relevant CMA decisions; this includes leveraging international partnerships for technical assistance and knowledge-sharing to support credible and transparent implementation of cooperative approaches
4	Reporting under Article 6, paragraph 2	Reporting in a consistent and timely manner under Article 6, paragraph 2, including the initial report, updated initial report, annual information and regular information, ensuring that interlinkages between reporting requirements under Article 6, paragraph 2, and transparency-related reporting requirements under Article 13 are addressed, including through collaboration with the Article 6 Implementation Partnership.

<sup>6</sup> As referred to in decision 6/CMA.4, annex II, para. 7.

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<i>ID#</i>	<i>Element of information to be reported</i>	<i>Area in which capacity-building is needed</i>
5	Implementation of Article 6	Enhancing public awareness and understanding of the Paris Agreement and Article 6 among key stakeholders involved at the local, subnational and national level, including through targeted training for civil servants and line agencies, potential project participants and relevant communities and civil society groups, to support effective domestic implementation of Article 6

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## Annex

### Documents and information used during the review

#### I. Reference documents

“Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement”. Annex to decision 2/CMA.3. FCCC/PA/CMA/2021/10/Add.1. Available at <https://unfccc.int/documents/460950>.

“Guidelines for the Article 6 technical expert review referred to in decision 2/CMA.3, annex, chapter V (Review)”. Annex II to decision 6/CMA.4. FCCC/PA/CMA/2022/10/Add.2. Available at <https://unfccc.int/documents/626570>.

Initial report of Mongolia. Available at <https://unfccc.int/process-and-meetings/the-paris-agreement/article-6/article-62/carp/reports>.

“Matters relating to cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement” Decision 4/CMA.6. FCCC/PA/CMA/2024/17/Add.1. Available at <https://unfccc.int/documents/644937>.

“Modalities, procedures and guidelines for the transparency framework for action and support referred to in Article 13 of the Paris Agreement”. Annex to decision 18/CMA.1. FCCC/PA/CMA/2018/3/Add.2. Available at <https://unfccc.int/documents/193408>.

#### II. Additional information provided by the Party

Responses to questions during the review were received from Otgontsetseg Luvsandash (Secretariat of the Joint Committee of the JCM between Mongolia and Japan) including additional material. The following references were provided by Mongolia and may not conform to UNFCCC editorial style as some have been reproduced as received:

“Common Specifications of the JCM Registry”. Available at [https://www.jcm.go.jp/jc/wp-content/uploads/sites/3/JCM\\_MN\\_RG\\_ver02.0.pdf](https://www.jcm.go.jp/jc/wp-content/uploads/sites/3/JCM_MN_RG_ver02.0.pdf).

“Guideline on Gender Equality for the JCM”. Available at [https://gec.jp/jcm/jp/kobo/r06/mp/jcmsbsdR6\\_gender\\_en.pdf](https://gec.jp/jcm/jp/kobo/r06/mp/jcmsbsdR6_gender_en.pdf).

“JCM Website”. Available at <https://www.jcm.go.jp/jc/mn>.

“Joint Crediting Mechanism Guidelines for Developing Proposed Methodology”. Available at [https://www.jcm.go.jp/jc/wp-content/uploads/sites/3/JCM\\_MN\\_RG\\_ver02.0.pdf](https://www.jcm.go.jp/jc/wp-content/uploads/sites/3/JCM_MN_RG_ver02.0.pdf).

“The JCM Rules of Implementation (RoI)”. Available at [https://www.jcm.go.jp/jc/wp-content/uploads/sites/3/JCM\\_MN\\_RG\\_ver02.0.pdf](https://www.jcm.go.jp/jc/wp-content/uploads/sites/3/JCM_MN_RG_ver02.0.pdf).

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