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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 Palau**

**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 Palau, 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 Palau 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
GHG	greenhouse gas
ITMO	internationally transferred mitigation outcome
JCM	Joint Crediting Mechanism
LT-LEDS	long-term low-emission development strategy(ies)
NDC	nationally determined contribution
NIR	national inventory report
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 Palau, 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 Palau'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>Palau reported that the Governments of Japan and Palau, as Parties participating in the JCM as a cooperative approach, have a Joint Committee for making decisions in relation to, among others, authorizing third party entities and the use of generated ITMOs towards achievement of NDCs.</p> <p>However, the information reported by Palau was not found to be sufficiently transparent or complete in relation to the authorization arrangements in place, including the arrangements specific to the three components of authorization, as applicable (authorization of the cooperative approach, ITMOs and entities), as defined in paragraph 3 of decision 4/CMA.6.</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, Palau explained that its procedures for the use of ITMOs or credits include:</p> <p>(a) Project participants monitoring, preparing reports on GHG emission reductions or removals generated by JCM projects and requesting third party entity verification;</p> <p>(b) Project participants submitting verification reports to the Joint Committee and requesting credit issuance notification;</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/PLW, 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#	Element of information to be reported	Description of area for improvement with recommendation
		<p>(c) The Joint Committee checking completeness of the request for issuance and notifying the Governments of participating Parties that credits will be issued to their registry accounts;</p>
		<p>(d) Governments of participating Parties issuing credits and informing the Joint Committee of the issuance of credits;</p>
		<p>(e) Governments of participating Parties authorizing ITMOs for use towards achievement of NDCs.</p>
		<p>Palau also explained that the Joint Committee is responsible for developing the rules and guidelines for implementing the JCM.</p>
		<p>Palau further explained that it is developing legal frameworks for governing carbon market authorization processes to inform a road map for Palau’s participation in activities under Article 6, including in relation to the JCM, helping to ensure that it does not exceed its NDC target by overselling ITMOs and promoting sound accounting systems to ensure that cooperative approaches meet environmental integrity standards and align with national climate change policies.</p>
		<p>The Article 6 TERT acknowledges the additional information provided by Palau, but recommends that the Party include information in its future reporting on the 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 the legal frameworks for governing carbon market authorization processes and other documentation relevant to the authorization arrangements.</p>
<p>18.A/4.D</p>	<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>Palau reported that each credit issued under the JCM is assigned a unique identifier and the authorized JCM credits issued are tracked in Japan’s JCM registry. Palau also reported that it is developing a registry for issuing and tracking JCM credits, which will be in accordance with the “Common Specifications of the JCM Registry”.</p> <p>However, the information reported by Palau was not found to be sufficiently transparent or complete in relation to how the JCM registry and Palau’s registry comply with all requirements in annex I to decision 6/CMA.4, including regarding form, functions and processes, and interoperability.</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 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, the Party explained that the “Common Specifications of the JCM Registry” are available on the JCM website and that section C thereof stipulates that the unique identifiers for JCM credits shall comprise the programme name (JCM), host country ID (PW), issuing country ID (JP) and serial number. Sections B–E stipulate that the JCM registry takes the form of a database with holding, cancellation and retirement accounts. Credits are assigned unique identifiers, and all information regarding the issuance, holding, transfer, acquisition, cancellation and retirement of credits is maintained within the system. The Party also explained that the JCM registry partially fulfils the requirements in annex I to decision 6/CMA.4, noting that the “Common Specifications” do not require the vintage of the underlying mitigation outcome or information related to authorization to be included in the unique identifier for the ITMO. To address this, Japan is developing another JCM registry but, until the new registry becomes operational, a provisional ITMO registry will be operated alongside the current JCM registry to ensure compliance with all requirements in paragraph 5 of annex I to decision 6/CMA.4. Palau does</p>

ID#	Element of information to be reported	Description of area for improvement with recommendation
18.A/4.E	The Party has provided the most recent NIR required in accordance with decision 18/CMA.1 (decision 2/CMA.3, annex, para. 4(e))	<p>not yet have access to the JCM registry and is using an Excel spreadsheet to track ITMOs as an interim solution.</p> <p>The Article 6 TERT acknowledges the additional information provided by Palau, 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 Palau demonstrate in its future reporting that the JCM registry used to track ITMOs complies with all requirements in annex I to decision 6/CMA.4.</p> <p>Palau reported that it provided its most recent NIR as part of its second national communication on 26 August 2019, covering national GHG inventories for 1994–2005.</p> <p>However, the information reported by Palau is inconsistent with the reporting requirement, given that the most recent NIR shall be the one provided in accordance with decision 18/CMA.1. The Article 6 TERT noted that Palau has not yet submitted a biennial transparency report with an NIR in accordance with decision 18/CMA.1.</p> <p>During the review, the Party indicated that it is preparing its first biennial transparency report, which it expects to submit by the end of 2027 and will include in the submission the latest NIR, covering a time series of 2006–2022, prepared in line with decision 18/CMA.1.</p> <p>The Article 6 TERT acknowledges the additional information provided by Palau and recommends that Palau clearly indicate in its future reporting the status of submission of its latest NIR required in accordance with decision 18/CMA.1, emphasizing that the NIR 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 LT-LEDS, if it has submitted one, and the long-term goals of the Paris Agreement (decision 2/CMA.3, annex, para. 4(f))	<p>Palau reported that it requires international cooperation and partnership finance to promote implementation of mitigation activities in addition to its domestic mitigation efforts, which generate emission reductions in Palau, some of which contribute to the achievement of its NDC. Palau noted that efforts are ongoing to secure support from international partnerships for developing its LT-LEDS.</p> <p>However, the information provided by Palau was not found to be sufficiently transparent or complete as to whether the cooperative approach in which it is participating (the JCM) is related to a particular NDC target and/or source, sector or category of GHG emissions; and how participation in the cooperative approach contributes to achieving the long-term goals of the Paris Agreement.</p> <p>During the review, the Party explained that its participation in cooperative approaches under Article 6 is aligned with the mitigation priorities in its updated NDC, with a particular focus on the energy sector, which remains the largest contributor to national GHG emissions. According to Palau, its cooperation under Article 6 enables the deployment in the country of renewable energy and energy-efficiency solutions that directly support its NDC implementation. The Party also explained that mitigation outcomes generated in Palau that are not authorized for use as ITMOs will be retained domestically for use towards NDC achievement, while finance from international partnerships mobilized through cooperative approaches will help to accelerate the implementation of mitigation actions that Palau could not undertake independently.</p> <p>Further, Palau considers its participation in cooperative approaches under Article 6 to be a means of enhancing overall ambition beyond its NDC. By enabling access to high-cost, transformational technologies and promoting greater private sector engagement, Palau's participation in cooperative approaches will contribute to the implementation of its forthcoming LT-LEDS. The Party's participation will also support a long-term low-emission development pathway, reduce reliance on imported fossil fuels and create</p>

<i>ID#</i>	<i>Element of information to be reported</i>	<i>Description of area for improvement with recommendation</i>
		<p>co-benefits for sustainable development, thereby contributing to achieving the long-term goals of the Paris Agreement.</p> <p>The Article 6 TERT acknowledges the additional information provided by Palau and considers it relevant to the reporting requirement. Therefore, the Article 6 TERT recommends that Palau include the information in its future reporting.</p>

Table 2

**Recommendations relating to identified areas for improvement of the consistency of the information included in Palau’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 CA0014, “The Joint Crediting Mechanism between the Government of Palau and the Government of Japan”**

<i>ID#</i>	<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>Palau reported that its Government has authorized the JCM as a cooperative approach, authorizes the credits issued at the time of first transfer from the JCM registry to that of Japan for use towards achievement of the NDC, and authorizes the entities, if any.</p> <p>However, the information reported by Palau was not found to be sufficiently transparent or complete, given that no copy of the authorization was attached to the initial report, nor was a link provided to a repository where the authorization could be found. Nevertheless, the Article 6 TERT noted that an authorization document, entitled “Authorization of the JCM as a cooperative approach by Palau Office of Climate Change”, is available on the centralized accounting and reporting platform.</p> <p>During the review, the Party explained that all three components of authorization as defined in paragraph 3 of decision 4/CMA.6 (i.e. authorization of the cooperative approach, ITMOs and entities) will be issued separately once the development of the legal frameworks for governing the carbon market authorization processes has been completed.</p> <p>The Article 6 TERT acknowledges the additional information provided by Palau and considers it relevant to the reporting requirement. Therefore, the Article 6 TERT recommends that Palau include the information in its future reporting.</p>
18.G.2	Description of the cooperative approach (decision 2/CMA.3, annex, para. 18(g))	<p>Palau reported that the JCM is a bilateral crediting mechanism established for quantitatively evaluating the contributions of Japan to GHG emission reductions and removals, which are achieved through the diffusion of, among others, leading decarbonization technologies, products, systems, services and infrastructure, as well as measures in developing countries, and for enabling Japan to use such contributions towards achieving its NDC consistently with relevant decisions of the CMA, including the guidance on cooperative approaches referred to in Article 6, paragraph 2.</p> <p>However, the information reported by Palau was not found to be sufficiently transparent or complete as the Article 6 TERT noted that there are five projects in the JCM registry that were not mentioned in the description of the cooperative approach.</p> <p>During the review, the Party clarified that all five of those JCM projects are part of the cooperative approach, but they were not listed in the initial report because the authorization for the first transfer of mitigation outcomes was being processed at the time of submitting the report.</p> <p>The Article 6 TERT acknowledges the additional information provided by Palau and considers it relevant to the reporting requirement. Therefore, the Article 6 TERT recommends that Palau include in its future reporting description of all registered projects under the JCM.</p>
18.G.3	Duration of the cooperative approach (decision	Palau reported that the cooperative approach covers the period of issuance of credits generated from GHG emission reductions and removals resulting from JCM projects up until 31 December 2030. The Governments of Palau and

ID#	<i>Element of information to be reported</i>	<i>Description of area of improvement with recommendation</i>
	2/CMA.3, annex, para. 18(g))	<p>Japan may consider extending that period and intend to reach a decision thereon by 2030.</p> <p>However, the information provided by Palau is not consistent with the implementation period of its latest NDC available in the NDC registry at the time of the review, which ends in 2025.</p> <p>During the review, Palau explained that it is developing its updated NDC, which will cover 2025–2035 and therefore align with the reported duration of the JCM, and confirmed Palau’s intention to continue participating in cooperative approaches beyond 2025. Palau also explained that it considers cooperation under Article 6, paragraph 2, including in the JCM with Japan, to be important for achieving its enhanced mitigation targets. It provided a brief update on its updated NDC for 2025–2035, explaining that it is pursuing a whole-of-government approach for securing broad institutional engagement and the level of transition required to achieve government buy-in. Palau indicated that the NDC should be finalized in the near future, but the timing depends on national approval processes.</p> <p>The Article 6 TERT acknowledges the additional information provided by Palau and considers it relevant to the reporting requirement. Therefore, the Article 6 TERT recommends that Palau include the information in its future reporting.</p>
18.H.1	<p>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>	<p>Palau reported that it applies corresponding adjustments for authorized credits and that, as per paragraph 8(b) of the annex to decision 2/CMA.3, JCM credits will be authorized by both Japan and Palau, and those acquired by Japan will be used towards achieving its NDC within the same NDC implementation period as when they were issued to ensure that there is no net increase in global emissions within and between NDC implementation periods.</p> <p>However, the information reported by Palau was not found to be sufficiently transparent or complete in relation to how the application of corresponding adjustments and the use of JCM credits issued within the same NDC implementation period ensures that there is no net increase in global emissions given that the NDC implementation periods of Japan and Palau are different.</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, Palau explained that, to ensure that there is no net increase in global emissions, a combination of robust accounting mechanisms and conservative baselines established under the JCM are applied. For example, Palau applies corresponding adjustments by calculating the average annual amount of ITMOs first transferred and used over the NDC implementation period (2020–2025). This process ensures that mitigation outcomes acquired by Japan and used towards achieving its NDC are accounted for and subtracted from Palau’s national accounting for the same period as when they occurred, thereby avoiding double counting of ITMOs and preventing a net increase in global emissions. Additionally, baselines applied in JCM methodologies are more conservative than those used in other methodologies.</p> <p>The Article 6 TERT acknowledges the additional information provided by Palau and considers it relevant to the reporting requirement. Therefore, the Article 6 TERT recommends that Palau 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 Palau 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</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>within and between its NDC implementation periods. Other reporting requirements include those set out in the annex to decision 2/CMA.3: how Palau’s participation in cooperative approaches contributes to the implementation of its NDC and LT-LEDS, 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 how ITMOs are real, verified and additional (para. 1(a)). The Article 6 TERT further recommends that Palau 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 Palau 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 made in the agreed electronic format and the structured summary<sup>a</sup> included in the Party’s BTR.</p> <p>Palau reported that methodologies are developed in accordance with the “JCM Guidelines for Developing Proposed Methodology”, which outline relevant key concepts such as reference emissions and eligibility criteria for the cooperative approach. The Joint Committee assesses and considers the approval of the proposed methodologies. The Guidelines stipulate that reference emissions be calculated to be below ‘business as usual’ emissions, which represent plausible emissions for delivering the same outputs or service levels as the proposed JCM project. This ensures that the baseline emissions do not lead to an overestimation of the mitigation impact of project activities.</p> <p>However, the information reported by Palau was not found to be sufficiently transparent or complete in relation to how the application of the “JCM Guidelines for Developing Proposed Methodology” ensures the consideration of all existing policies, takes into account uncertainties in quantification and potential leakage, and results in conservative reference levels, baselines set in a conservative way and below ‘business as 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, Palau explained that reference emissions are established in line with at least one of the criteria below and must be lower than the level of emissions established according to national legislation, regulations or other legally binding mandates:</p> <ul style="list-style-type: none"> <li>(a) Performance efficiency of project activities under the reference level must be higher than that required by laws or regulations;</li> <li>(b) Performance efficiency of project activities under the reference level must be higher than the equipment or facility with the largest local market share during the last three years;</li> <li>(c) For renewable power generation technologies, a grid emission factor lower than that of the value made publicly available by Palau;</li> </ul>

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>(d) For power generation technologies replacing diesel generators, an emission factor lower than the value derived from the heat efficiency of the most efficient diesel power generator used in the local market;</p> <p>(e) Use of conservative default values for parameters to estimate reference level emissions so that estimated emissions are greater than actual emissions from project activities that are not JCM project activities.</p> <p>The Article 6 TERT acknowledges the additional information provided by Palau and considers it relevant to the reporting requirement. Therefore, the Article 6 TERT recommends that Palau include the information in its future reporting.</p> <p>Palau reported that, if a project involves the risk of non-permanence of mitigation, the relevant rules and procedures will be applied concerning buffer credits, which are held separately from issued project credits and may be released in line with relevant decisions of the Joint Committee.</p> <p>However, the information reported by Palau was not found to be sufficiently transparent or complete in relation to whether Palau intends to consider undertaking projects that carry the risk of non-permanence. Additionally, it is unclear which relevant rules and procedures concerning buffer credits would apply.</p> <p>During the review, the Party explained that registered projects under the JCM focus on solar power only and therefore there is no risk of non-permanence. Palau also explained that, if projects carrying the risk of non-permanence or reversals of emission reductions or removals are implemented, it intends to apply and abide by the JCM rules and procedures established by the Joint Committee. Any updated information regarding the mechanism for addressing non-permanence and reversals will be communicated in an updated initial report.</p> <p>The Article 6 TERT acknowledges the additional information provided by Palau and considers it relevant to the reporting requirement. Therefore, the Article 6 TERT recommends that Palau include the information in its future reporting, indicating the scope of its expected mitigation activities under the JCM.</p>
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>Palau reported that the cooperative approach will contribute resources to help Palau to meet the costs of adaptation measures, given that it is particularly vulnerable to the adverse effects of climate change.</p> <p>However, the information reported by Palau was not found to be sufficiently transparent or complete in relation to how the cooperative approach and/or projects thereunder would contribute resources for adaptation.</p> <p>During the review, Palau explained that this remains under discussion between Japan and Palau, and an update will be provided once arrangements have been agreed and finalized.</p> <p>The Article 6 TERT acknowledges the additional information provided by Palau and considers it relevant to the reporting requirement. Therefore, the Article 6 TERT recommends that Palau include in its future reporting updated information on the progress of discussions and any finalized arrangements regarding the contribution of resources for adaptation under the cooperative approach.</p>
18.I.6	How the cooperative approach will deliver overall mitigation in global emissions 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)(vi))	<p>Palau reported that the JCM is intended to deliver overall mitigation in global emissions and indicated that “further agreements may be determined between Palau and Japan”.</p> <p>However, the information reported by Palau was not found to be sufficiently transparent or complete in relation to how the cooperative approach and/or projects thereunder would deliver overall mitigation in global emissions and any progress in relation to the mentioned agreements.</p> <p>During the review, Palau provided additional information indicating that the JCM, as a cooperative approach, does not voluntarily deliver overall mitigation in global emissions.</p>

<i>ID#</i>	<i>Element of information to be reported</i>	<i>Description of area of improvement with recommendation</i>
		The Article 6 TERT acknowledges the additional information provided by Palau and considers it relevant to the reporting requirement. Therefore, the Article 6 TERT recommends that Palau in its future reporting clearly explain that the JCM does not voluntarily deliver overall mitigation in global emissions.

<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 Palau 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 capacity 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 of cooperative approaches	Applying robust baseline methodologies, implementing measurement, reporting and verification systems, and ensuring transparent governance arrangements for cooperative approaches that uphold environmental integrity and prevent double counting, in line with all 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 reporting requirements under Article 13 are addressed, including through collaboration with the Article 6 Implementation Partnership
5	Overall implementation of Article 6	Enhancing public awareness and understanding of the Paris Agreement and Article 6 among key stakeholders 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

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

## 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 Palau. 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 Steve Moruri (Office of Climate Change, Palau), including additional material. The following references were provided by Palau and may not conform to UNFCCC editorial style as some have been reproduced as received:

“Common Specifications of the JCM Registry” assessable through JCM Rules and guidelines. Available at [https://www.jcm.go.jp/jc/wp-content/uploads/sites/3/JCM\\_PW\\_Spec\\_Registry\\_ver01.0-1.pdf](https://www.jcm.go.jp/jc/wp-content/uploads/sites/3/JCM_PW_Spec_Registry_ver01.0-1.pdf).

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