**Submission by the Republic of Korea**

**5 June 2023**

**Views on Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement**

1. **Introduction**

The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) at its fourth session invited Parties to “submit views on options for the recommendations referred to in paragraphs 16(a) and 17” for consideration by the Subsidiary Body for Scientific and Technological Advice (SBSTA) prior to its fifty-eighth session.

In response to the call for submissions by CMA4 (paragraph 15 of 6/CMA.4), the Republic of Korea (ROK) is pleased to submit its views on the matters referred to in paragraph 16(a) and 17 of decision 6/CMA.4.

The ROK hopes this submission could attribute to implementing cooperative approaches in combating climate change and achieving carbon neutrality.

Bearing in mind the fact that some Parties have already started to participate in their own cooperative approaches, the ROK views that among thirteen mandates in 6/CMA.4, paragraph 16(a) and 17, (1) sequencing and timing of the reports and review, (2) changes in authorization, and (3) transferring authorized A6.4ER should be prioritized to ensure full operationalization of Article 6.2.

In this context, the following are the items on which the ROK provides its views:

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| **17(a)** The sequencing and timing of the submission of the initial report, the completion of the Article 6 technical expert review of that report, and the submission of the agreed electronic format.  **17(b)** The process of authorization pursuant to decision 2/CMA.3, annex, paragraphs 2, 18(g) and 21(c), notably the scope of changes to authorization of internationally transferred mitigation outcomes towards use(s), and the process for managing them and for authorization of entities and cooperative approaches with a view to ensuring transparency and consistency.  **17(d)** Tables for submitting annual information as part of the regular information, as referred to in decision 2/CMA.3, annex, paragraph 23(j).  **17(g)** The need for additional functionalities and procedures for the international registry to allow for transfer of Article 6, paragraph 4, emission reductions to the international registry and to provide services for cooperative approaches if voluntarily requested by Parties participating in a cooperative approach, including, inter alia, additional technical functionalities and administrative arrangements, for authorizing account access, and further guidance on procedures for reporting and review for the cooperative approaches of the participating Parties requesting such services, which may be required in addition to the relevant guidance in decision 2/CMA.3 and annex I to this decision;  **17(h)** The accounts of the international registry and the role of the international registry administrator, in accordance with the guidance contained in annex I;  **17(j)** The common nomenclature referred to in annex I, chapter II.B, including for cooperative approaches reported by participating Parties, first transferring Party, sectors, activity types, non-greenhouse gas metrics and their units of measurement, registries that track internationally transferred mitigation outcome from cooperative approaches and action types; first transfer specifications; and purposes towards which use of internationally transferred mitigation outcomes is authorized; |

1. **The sequencing and timing of the submission of the initial report, the completion of the Article 6 technical expert review (A6TER) of that report, and the submission of the agreed electronic format (AEF)**

Regarding the current guidance on cooperative approaches, the sequencing and timing of the submission of the initial report, the completion of the A6TER, and the submission of the AEF are quite clear. As shown in Table 1 below, timing of the submission of the AEF is already adopted in CMA3. Therefore, the ROK believes the AEF should be submitted on time regardless of the completion of the A6TER, and reconsideration of this issue can lead to a retrogression of what has been agreed.

Moreover, given that several updated initial reports can be submitted for a single cooperative approach as Parties should reflect all changes made, submitting the AEF after the completion of the A6TER can trigger a significant delay in the entire Article 6 process. To address this issue, further discussion on safeguards such as limiting initial reports submission periods should be considered.

Table 1. Timing of submission of the initial report, A6TER, and AEF

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| **Category** | **Relevant Decision** | **Timing/Sequencing** |
| Initial Report | 2/CMA.3, annex, para 18 | No later than authorization of ITMOs or where practical in conjunction with the next biennial transparency report |
| A6TER | 6/CMA.4, annex II, para 12 | Shall undergo an Article 6 technical expert review following the calendar period in which the initial reports and updated initial reports were submitted |
| **AEF** | **2/CMA.3, annex, para 20** | **No later than 15 April of the following year** |

1. **Changes to authorization of ITMO and how to manage them.**

2/CMA.3, annex, para21(c) implies that authorization can be changed by including any changes to earlier authorizations in the regular information. Nonetheless, changes to the authorization should be carefully considered since authorization has an impact on the whole Article 6 process, and those revisions should be done in ways that minimize possible negative impacts.

Therefore, regarding changes to authorization and their management, the ROK believes any changes or revisions should be made before the first transfer, considering the corresponding adjustment occurred by the first transfer, and be applied to the ITMOs after the revisions.

For the management of revisions, regarding the 2/CMA.3, annex, paragraph 17, participating Parties shall ensure transparency, accuracy, consistency, completeness and comparability in tracking progress in implementation and achievement of their NDCs by applying safeguards and limits set out in further guidance from the CMA. In that context, the ROK suggests the secretariat developing a basic guidance for the safeguards, and participating Parties ensuring and articulating it within the scope of cooperative approaches.

1. **Tables for submitting annual information as part of the regular information, as referred to in decision 2/CMA.3, annex, paragraph 23(j)**

Tables for submitting information as per decision 2/CMA.3, annex, and paragraph 23(j) (hereinafter “paragraph 23(j) tables”) has been recommended in SBSTA Chair informal document, SBSTA57/A6.2/InfDoc, annex VII, issued at SBSTA57. The ROK suggests developing the paragraph 23(j) tables based on the recommended tables, considering two points below.

1. Consistency with the Agreed Electronic Format (AEF)

Given that the underlying information for the annual quantitative information to be presented through the paragraph 23(j) tables is all reported through the AEF, using consistent line item names for the same reported elements across tables would promote a common understanding.

The recommended tables require the issuance, authorization, use or cancellation to be filled in the 'Participating Party in whose registry the “first transfer” is effected through use or cancellation as per paragraph 2(b)' field (hereinafter “Participating Party field”), which the ROK believes requires the first transfer definition of OIMPs.

Hence, it would be more appropriate to fill in the Participating Party field with Party’s name and add ‘first transfer definition’ field as with the AEF.

1. Adding metric information

Since recommended tables are intended to be completed in tCO2eq only, it may be difficult to check the consistency of the coefficients for conversion for mitigation outcomes generated in non-greenhouse gas metrics.

For example, information submitted in 2026 requires annual information for 2025 and 2026, but the AEF for activities in 2026 might be submitted in 2027(before April 15), so it can be assumed that information for 2026 is first reported through the BTR.

Therefore, the ROK suggests adding the metric information for transparency of conversion of ITMOs and reviewing its appropriateness.

1. **The need for additional functionalities and procedures for the international registry to allow for transfer of Article 6, paragraph 4, emission reductions to the international registry**

Out of the issued A6.4ERs, those that are authorized to use towards NDCs and/or OIMPs (hereinafter “authorized A6.4ERs”) should be managed as ITMOs and the linkage between the international registry and the A6.4 mechanism registry is mandated by the Guidance. However, the additional functionality for authorized A6.4ERs to be transferred to the international registry needs further discussion, and the ROK believes this issue should be handled in light of balancing transparency, ITMO tracking convenience and cost-effectiveness.

1. Transparency and tracking ITMOs

The authorized A6.4ERs should be included in the relevant reporting like annual information and regular information as ITMOs in accordance with Article 6.2 guidance. This implies that even if they are not transferred to the international registry, they still can be tracked by reporting through the AEF and other reports; hence the A6DB will record basic information and activities that need to be tracked, such as issuance, holdings, and the purpose of the authorization. Also, Parties can check the consistency and get the information for reports by retrieving data by utilizing the interoperability between registries.

However, considering the TACCC principles, transferring authorized A6.4ERs can contribute to enhancing transparency in Article 6.2 cycle by minimizing the risk of missing information, and to tracking convenience since most of the data of ITMOs that need to be reported can be gathered from the international registry.

1. Cost-effectiveness

If the A6.4ERs are transferred to the international registry, additional consideration would need to be given to the linkage of multiple national registries and the A6.4 mechanism registry to ensure a similar or equivalent level of connectivity, which can incur cost in maintaining a certain level of connection and interoperability. Due to limited available resources, such cost needs to be taken into account.

1. **The accounts of the international registry**

Registry is the most basic tool used by participating Parties to track ITMOs and records the actions including authorization, first transfer, transfer, acquisition, use towards NDCs, authorization for use towards OIMPs, and voluntary cancellation (including for OMGE, if applicable) in accordance with paragraph 29 of Annex, 2/CMA.3 and paragraph 1(b) of Annex I, 6/CMA.4. In addition, the A6.4 mechanism registry shall have at a minimum the following accounts in accordance with paragraph 32 of Annex I, 7/CMA.4.

(a) Pending account; (b) Holding account; (c) Share of proceeds for adaptation account; (d) Mandatory cancellation for OMGE account; (e) Voluntary cancellation for OMGE account; (f) Retirement account for A6.4ERs and CERs; (g) Account for cancellation of A6.4ERs for OIMPs; (h) Account for voluntary cancellation of A6.4ERs for other purposes; and (i) Account for administrative cancellation of A6.4ERs and CERs.

Therefore, taking into account the linkages between Article 6 undertakings, and for user understanding and convenience, the ROK suggests organizing the international registry accounts to be similar to the Article 6.4 Mechanism Registry accounts, as shown in Table 2 below.

Table 2. Suggestion of international registry account types

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| **Account (suggestion)** | **Description** |
| Holding account | Account for ITMOs which are issued and authorized |
| Retirement account for NDC | Account for using ITMOs towards NDC |
| Cancellation account for OIMPs | Account for using ITMOs towards OIMPs |
| Voluntary cancellation account for OMGE | Voluntarily cancelled ITMOs for OMGE |
| Voluntary cancellation account for other purposes | Voluntarily cancelled ITMOs for other purposes that are not included above |

1. **The common nomenclature**

A common nomenclature is a common list of values for specific information attributes required for the reporting of annual information in Article 6 and is a primary means to identify inconsistencies in the reported information of ITMOs.

The ROK believes it should be established as clearly as possible, and in that context, would like to suggest a common nomenclature as shown in Table 3 below and using abbreviated or numerical codes for some elements such as sector and activity type for simplification, considering the existing taxonomy and the annual information such as the AEF.

Table 3. Suggestion of common nomenclatures

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| **Element** | **Common Nomenclature (suggestion)** |
| Cooperative approach | ID  (Year-participating Party and/or Entity code-host Party-mechanism-project code) |
| First transferring Party | ISO 3166-1 |
| Sector | Classification under IPCC guideline  (e.g. 01: Energy, 02: IPPU, 03: AFOLU) |
| Activity type | Reflect current and further CMA decisions based on the CDM activity type  (e.g. Afforestation and reforestation → Removals) |
| Non-GHG metric | Metric in which ITMO is produced |
| Action type | 2/CMA.3, annex, para 20(a) |
| First transfer specification | First transfer date + (if applicable) first transfer definition |
| Purposes towards which use of ITMO is authorized | NDC, OIMP, NDC and/or OIMP |