



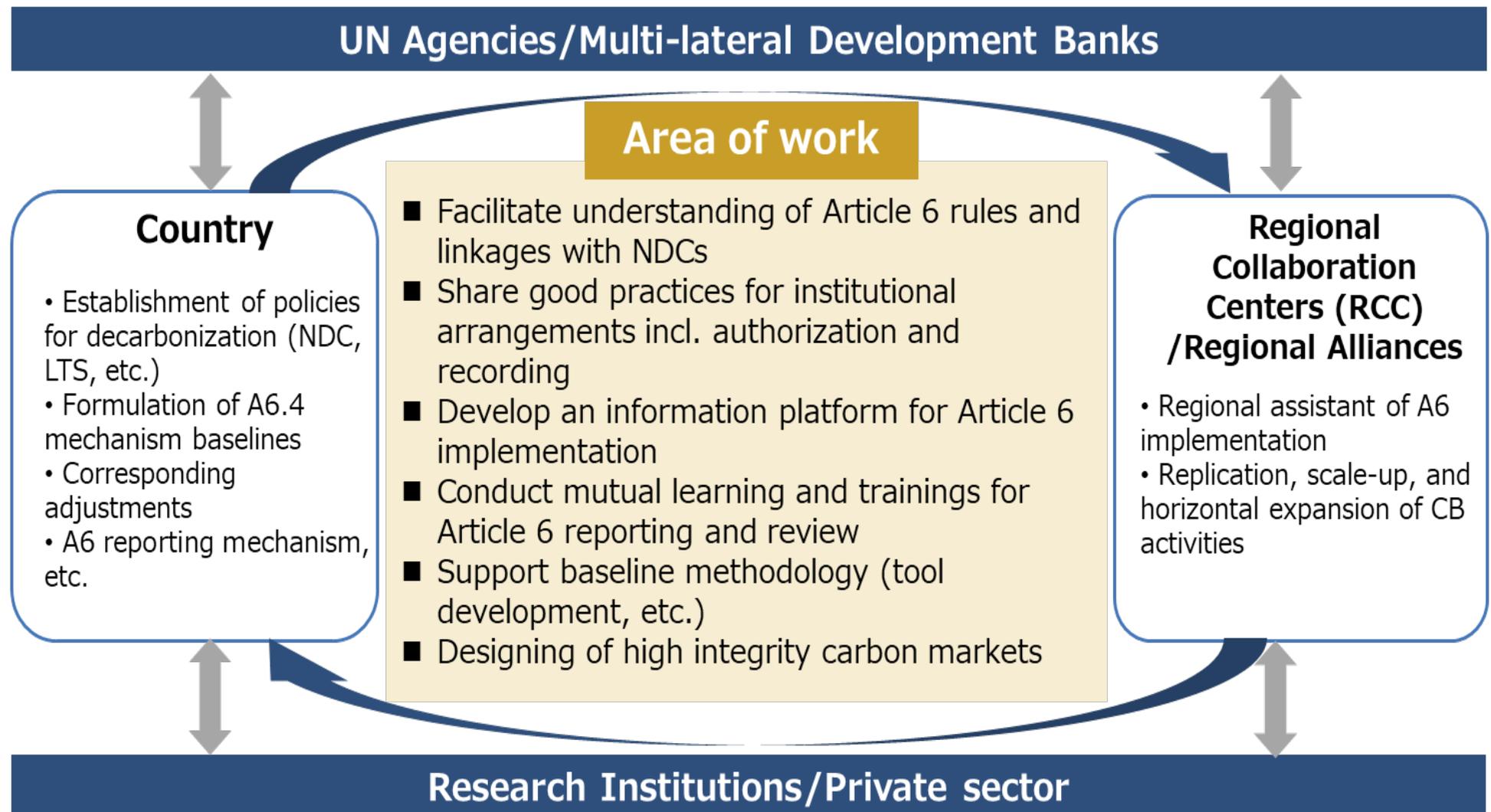
Japan's efforts to build capacity for the implementation of Article 6

3/23/2023
Sadamitsu Sakoguchi



Overview

- Promote international collaboration for capacity building related to Article 6 of the Paris Agreement, including by sharing good practices and supporting the implementation of Article 6.



COP27 Launching Event and International Collaboration



Launch event

- **Date** November 16, 2022
- **Venue** COP27 Japan Pavilion
- **Main participants (Ministerial level)**
Japan, US, Germany, Italy, NZ, Singapore, Sweden, Estonia, UNFCCC secretariat, World Bank, IETA



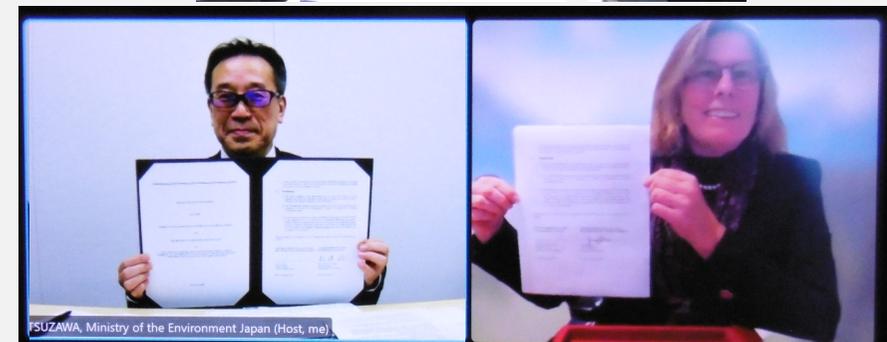
Collaboration

Letter of Intent between Mr. Nishimura, Minister of Environment, and Mr. Stiell, Executive Secretary of the UNFCCC Secretariat

- **UNFCCC Secretariat**
- **Date** November 16, 2022
- **Area** Collaboration under this partnership

Memorandum of Cooperation was signed between the World Bank and MOEJ

- **World Bank**
- **Date** January 26, 2023
- **Area** Collaboration for realization of international carbon markets



64 Partner Countries (as of Mar 17)



- Many countries are participating from each region.
- SIDs and LDCs are also included.

Asia	Eastern Europe and Central Asia	Europe	Latin America & the Caribbean	North Africa & the Middle East	Northern America	Oceania	Sub-Saharan Africa
13	4	11	7	4	3	5	12
Bangladesh, Bhutan, Cambodia, India, Lao PDR, Maldives, Mongolia, Nepal, Philippines, Singapore, Sri Lanka, Thailand, Timor-Leste	Armenia, Azerbaijan, Georgia, Uzbekistan	Andorra, Estonia, Finland, France, Germany, Greece, Italy, Moldova, Sweden, Switzerland, UK	Argentina, Bahamas, Barbados, Belize, Brazil, Chile, Costa Rica, Dominican Republic, Jamaica, Peru	Jordan, Morocco, Saudi Arabia, Sudan, UAE	Canada, Mexico, USA	Australia, Fiji, New Zealand, Palau, Papua New Guinea	Burundi, Côte d'Ivoire, Ethiopia, Ghana, Kenya, Namibia, Nigeria, Rwanda, Senegal, Tunisia, Uganda, Zambia, Zimbabwe

Partner Organizations (as of Feb 20)



- UN agencies, MDBs, regional alliances, and research institutes, including universities.
- The Partnership welcomes participations from private sectors.

UN Agencies	UNFCCC Secretariat, UNDP, UNEP, UNIDO, UNU-IAS (United Nations University Institute for the Advanced Study of Sustainability), ICAT (Initiative for Climate Action Transparency)
Multilateral Development Banks	World Bank, European Bank for Reconstruction and Development, African Development Bank, Asian Development Bank
Regional alliances	Eastern African Alliance for Carbon market & Climate Finance, West African Alliance on Carbon Markets and Climate Finance
Research institutes/ NGOs	Climate Change and Development Academy of Mongolia, Climate Focus, Democratic Republic of Congo/Yuula Academie, European Roundtable on Climate Change and Sustainable Transition, Fair Carbon, Global Green Growth Institute, Gold Standard Institute for Global Environmental Strategies, Perspectives Climate Research, Tsinghua University China, World Resources Institute
Private sectors	ALLCOT, Carbon Limits AS, CarbonCreditMarkets.com, Cibola Partners, FCAM - Ferraz de Camargo Advogados Associados, Independent, Industrial Technology Research Institute, International Emissions Trading Association, KIS Group, KliK Foundation, Plataforma Mexicana de Carbono, Pinheiro Neto Advogados, Private Sector's Commission for Studies on Sustainable Development, Sherpas Group, South Pole Category, Tetra Tech, HERZOG FOX & NEEMAN/Herzog

Planned Activities for the Article 6 Implementation Partnership (A6IP) in 2023



Outline

- Based on the decisions on the detailed rules for implementing Article 6 at COP27, **establish thematic working groups (WG) of (1) authorization, (2) reporting, and (3) tracking**, necessary for the implementation of Article 6, and **provide supports for capacity building (CB) and institutional arrangement**, mainly targeting government officials.



Partnership
Website :
<https://A6partnership.org>

Activities

Thematic WG

1. Authorization

Support countries' authorization (capacity building to government officials, setting policies and guidelines, etc.)

2. Reporting

Support developing initial, annual (AEF), and regular reporting

3. Tracking

Support introducing national registry, utilizing international registry

Information Platform

- Regularly share information on CB and other related events **via the mailing list**.
- Disseminate case studies and good practices through the **web-based information platform** (Improvement of the Article 6 website)

Technical Assistance

- Practical training and mutual learning on WG themes (Training on how to use Article 6 based on experience of JCM)
- Technical assistance on development of methodology

Private Sector

Provide capacity building activities for private sector

Collaboration among key partners

- UNFCCC: Collaborate on CB related programs (training, technical assistance)
- World Bank: Collaborate on CB programs, e.g. PMI
- IGES: Mutual learning program
- MOEJ: Coordination, newsletter, information sharing

Agenda

- ◆ Introduce the Paris Agreement Article 6 Implementation Partnership (A6IP) and its planned working groups (Authorization WG, Reporting WG, and Tracking WG)
- ◆ Share the proposed workplan for 2023

Summary

- ◆ Survey conducted by MOEJ to understand the capacity building supports provided for Article 6 implementation exhibits that there are a number of entities providing such supports. As there is high demand for the use of Article 6 in NDCs, those supports should be collectively managed and provided to where needed the most.
- ◆ UNFCCC Secretariat is conducting various capacity building programs for Article 6 implementation, including Capacity Building Work Programme towards Implementation of Article 6.2 and 6.4, virtual regional dialogues, needs survey, etc.
- ◆ World Bank Activities in the Carbon Markets create capacity, enabling environment, inform development of regulatory framework, institutional arrangements and associated governance arrangements, including Partnership for Market Implementation, Climate Market Club, technical assistance through carbon funds.
- ◆ Due to a high interest from Private sector towards Article 6, where they are looking for investment opportunities, access to cheaper abatement options and voluntary emission reduction objectives, IETA is taking initiatives, namely B-PMI (Business Partnership for Market Implementation), CAD Trust (Climate Action Data Trust), ERPA contract templates and UMD economic modeling.

Agenda

- ◆ Exchange information from partner countries and organizations involved in the authorization and institutional arrangements for Article 6
- ◆ Promote the development of a tool for authorization

Summary

- ◆ There are three types of authorization – a cooperative approach, ITMOs, and entities. There are still a number of ongoing discussions on authorization, such as timing, scope, methods, etc.
- ◆ Status of authorization differs from country to country, including transferring and acquiring countries.
 - In **Ghana**, authorization process is documented in their international carbon market framework.
 - For **Sweden**, goals of authorization process are transparent, objective determination for appropriate projects, and relevant decisions on the authorization of entities.
 - **Jordan** developed the draft policy framework based on Article 6, infrastructure, and legal foundation.
 - **Switzerland** sets legal bases for authorizations, including domestic laws and bilateral agreements.
 - **Papua New Guinea** developed a regulatory framework to guide all the carbon market activities.
 - **Chile** established climate change framework law and Article 6 Committee, which decides authorization.
 - **Japan** established JCM council consisted of relevant ministries to undertake authorization of JCM credits. Information on ITMOs will be made publicly available through JCM website.
- ◆ International organizations have provided various capacity building supports on authorization. **GGGI** enables moderated dialogue and facilitates access to technical information. **UNDP** offers an online course with dedicated module on authorization and in-country training. **WB** supports on carbon asset development process, policy framework, and authorization process.

Development of “A6IP Capacity Building Package” for Authorization WG



Process	What to do	Target groups or works	Potential work of capacity building
1. Readiness	<ul style="list-style-type: none"> - Provide supports to set strategies and policies 	<ul style="list-style-type: none"> - Designated National Authorities (DNAs) - Government organizations 	<ul style="list-style-type: none"> - Guidebook / materials - Workshops
2. Institutional Arrangements	<ul style="list-style-type: none"> - Identify relevant members and/or ministries - Develop policy frameworks 	<ul style="list-style-type: none"> - DNAs - Government organizations - Private sectors, etc. 	<ul style="list-style-type: none"> - Consultations - Materials - Workshops
3. Authorization	<ul style="list-style-type: none"> - Know what to authorize (e.g. projects or credits) - Identify necessary information and procedures (e.g. projects, volume of emission reductions) 	<ul style="list-style-type: none"> - Bilateral cooperations (e.g. JCM) - Article 6.4 mechanisms - Voluntary Carbon Standards 	<ul style="list-style-type: none"> - Understanding of rules and processes - Match making - Materials - Workshops
4. Corresponding Adjustments	<ul style="list-style-type: none"> - Understand methods (e.g. average, trajectories, etc.) 	<ul style="list-style-type: none"> - Reporting (Initial Report, Annual Information, Regular Information) - Recording (Registry) 	<ul style="list-style-type: none"> - Training - Materials - Workshops
5. Management of Institutional Arrangements	<ul style="list-style-type: none"> - In case of changes in (legal) status or contracts 	<ul style="list-style-type: none"> - Development of procedures and rules 	<ul style="list-style-type: none"> - Guidelines - Materials - Workshops

Development of “A6IP Capacity Building Package” for Authorization WG

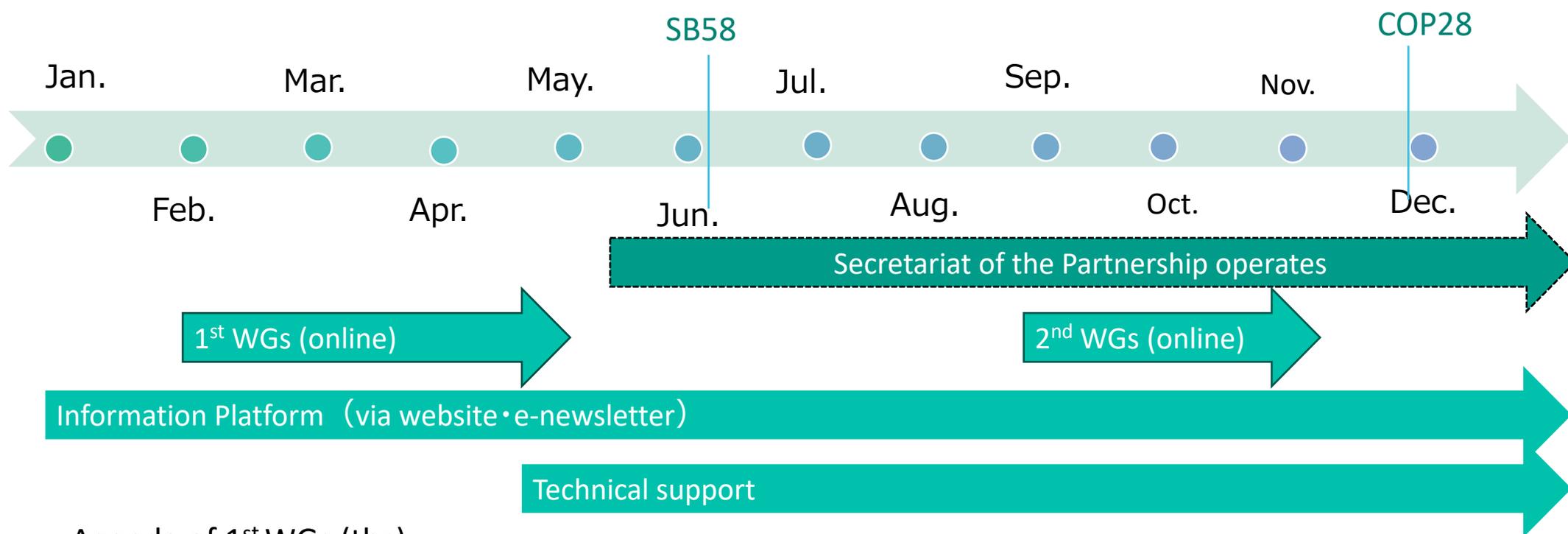


Process	Potential work of capacity building For Country X	Responsible Parties/Organizations (examples)
1. Readiness	<ul style="list-style-type: none"> - Guidebook / materials - Workshops 	<ul style="list-style-type: none"> - International organization A + Multilateral Development Bank A
2. Institutional Arrangements	<ul style="list-style-type: none"> - Consultations - Materials - Workshops 	<ul style="list-style-type: none"> - Government organization A + B
3. Authorization	<ul style="list-style-type: none"> - Understanding of rules and processes - Match making - Materials - Workshops 	<ul style="list-style-type: none"> - Multilateral Development Bank B + Research Institute A
4. Corresponding Adjustments	<ul style="list-style-type: none"> - Training - Materials - Workshops 	<ul style="list-style-type: none"> - Research institute B
5. Management of Institutional Arrangements	<ul style="list-style-type: none"> - Guidelines - Materials - Workshops 	<ul style="list-style-type: none"> - International Organization B
For Country Y		

→ This enables to provide tailormade supports to countries in different circumstances.



Proposed Schedule in 2023



Agenda of 1st WGs (tbc)

Theme	Agenda
Plenary Meeting Feb 20 & 22	A6IP work plan for 2023, introduction of WGs, UNFCCC and WB's capacity building plans
Authorization WG Mar 15 & 17	Sharing of countries' authorization processes and institutional arrangements
Reporting WG April	Implementing A6 reporting using formats (initial report and annual information)
Tracking WG May	Case studies on development and operation of registries

Thank you



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