

Progress and plans of the Article 6 Implementation Partnership

9/1/2023

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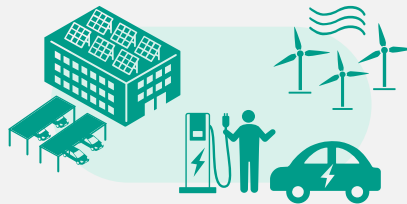
MOE Japan



Expected impacts of the Article 6 implementation

Experts have estimated that implementing Article 6 could reduce additional **4 – 12 billion tCO₂^{※1}** emission per year by 2030.

This corresponds to **10% - 40%** of global CO₂ emissions in 2018.



Implementing Article 6 can stimulate global carbon market as well as private investment, which simultaneously contribute to global emission reduction and countries' economic growth. Size of carbon markets will reach US\$**300-400 billion^{※2}** in 2030.



- ※1
- J. Edmonds et al. 2021. How much could article 6 enhance nationally determined contribution ambition toward Paris Agreement goals through economic efficiency? (P.18), Climate Change Economics
 - UNEP and UNEP DTU. 2021. Emissions Gap Report 2021. (P.59)
 - TSVCM. 2021. TASKFORCE ON SCALING VOLUNTARY CARBON MARKETS Final Report (P.13)
- ※2
- UNEP and UNEP DTU. 2021. Emissions Gap Report 2021 (P.60)
 - IETA (2021) The Carbon Markets Role of Article 6 Compatible Carbon Markets in Reaching Net-Zero (P.13)

Paris Agreement Article 6 Implementation Partnership (A6IP)



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.

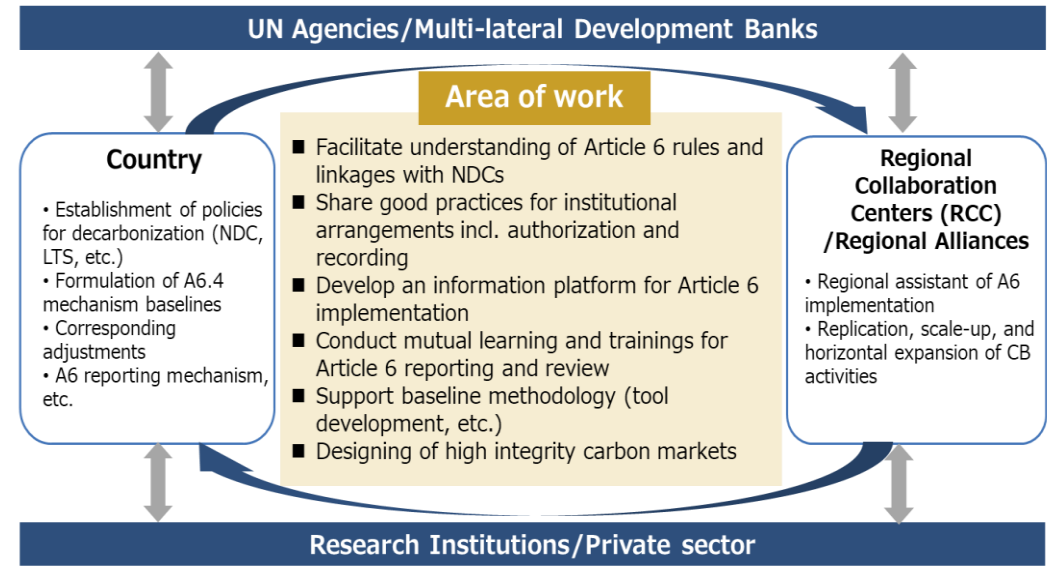
Participants

69 countries • 34 international organizations (As of August)

Countries	Organizations
Andorra, Argentina, Armenia, Australia, Azerbaijan, Bahamas, Bangladesh, Barbados, Belize, Bhutan, Botswana, Brazil, Brunei, Burundi, Cambodia, Canada, Chile, Costa Rica, Côte d'Ivoire, Dominican Republic, Estonia, Ethiopia, Fiji, Finland, France, Georgia, Germany, Ghana, Greece, India, Italy, Jamaica, Jordan, Kenya, Lao PDR, Maldives, Mexico, Moldova, Mongolia, Morocco, Namibia, Nepal, New Zealand, Nigeria, Pakistan, Palau, Papua New Guinea, Peru, Philippines, Rwanda, Saudi Arabia, Senegal, Singapore, Sri Lanka, Sudan, Sweden, Switzerland, Thailand, Timor Leste, Tunisia, Togo, Uganda, UAE, UK, US, Ukraine, Uzbekistan, Zambia, Zimbabwe	ADB, AfDB, Climate Focus, C2ES, Eastern Africa Alliance, EBRD, ERCST, GGGI, Gold Standard, ICAT, IEA, IETA, IGES, NDC Partnership, OECC, Perspectives, UNDP, UNEP, UNFCCC, UNIDO, UNU-IAS, WB, West African Alliance, WRI, etc.

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 signed on November 16, 2022, between Mr. Nishimura, Minister of Environment, and Mr. Stiell, Executive Secretary of the UNFCCC, on collaboration under this partnership.



On January 26, 2023, Memorandum of Cooperation was signed between the World Bank and MOEJ on collaboration for realization of international carbon markets.

69 Partner Countries (as of August)



- 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
15	5	11	10	5	3	5	15
Bangladesh, Bhutan, Brunei, Cambodia, India, Lao PDR, Maldives, Mongolia, Nepal, Pakistan, Philippines, Singapore, Sri Lanka, Thailand, Timor-Leste	Armenia, Azerbaijan, Georgia, Ukraine, 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, Tunisia, UAE	Canada, Mexico, USA	Australia, Fiji, New Zealand, Palau, Papua New Guinea	Botswana, Burundi, Côte d'Ivoire, Ethiopia, Ghana, Kenya, Namibia, Nigeria, Rwanda, Senegal, Sudan, Togo, Uganda, Zambia, Zimbabwe

Planned Activities 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, and regular reporting

3.Tracking

Support developing national registry, utilizing international registry or others

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**

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

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"> - 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

Reporting requirement in Article 6 and the formats decided at COP27

Initial Report
Outline
(6/CMA.4 Annex V.)

Annual Information
Draft AEF
(6/CMA.4 Annex VII.)

Regular Information
Outline
(6/CMA.4 Annex VI.)

Potential capacity-building supports provided at A6IP

Illustrative texts, guidance, examples, lessons learned

Mock tests, Improvement of the draft AEF

Illustrative texts, guidance, examples, lessons learned

Important timings

- The manual to be developed by the UNFCCC Secretariat
- IR to submit no later than authorization of ITMOs or with the next BTR

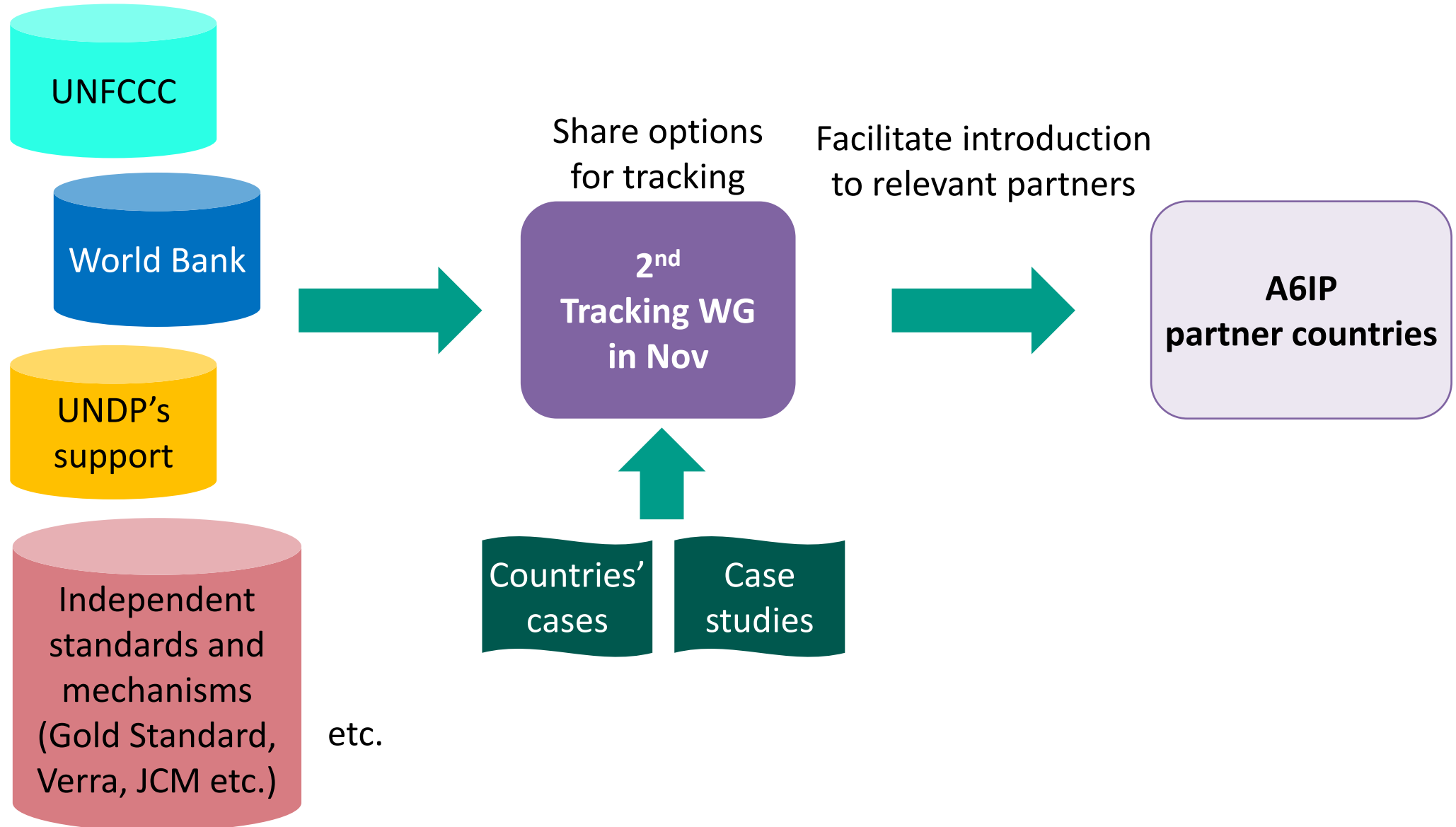
- AEF to be finalized at COP28
- AI to submit by April on an annual basis

- RI to submit no later than 31 December of 2024 as an annex to its BTR

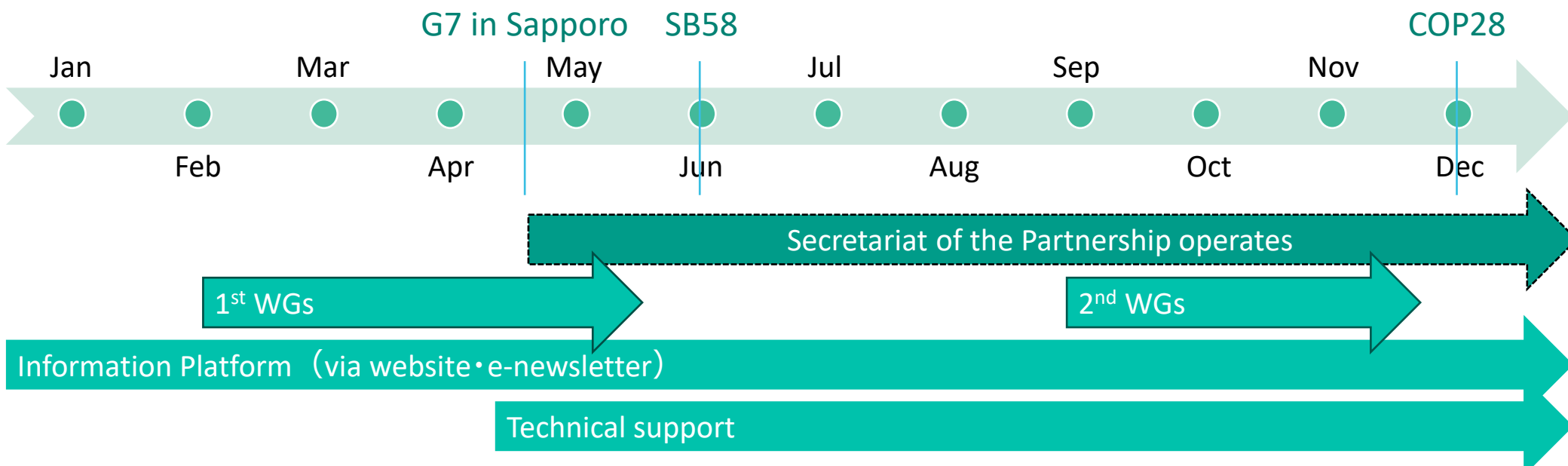
A6IP's Capacity Building Support for Tracking



- A6IP could compile information of different options available for tracking and introduce relevant options to partner countries.



Proposed Schedule in 2023



	Meeting	Agenda
1 st	Plenary Meeting (Feb 2023)	A6IP work plan for 2023, introduction of WGs, UNFCCC and WB's capacity building plans
	Authorization WG (Mar 2023)	Sharing of countries' authorization processes and institutional arrangements
	Reporting WG (Apr 2023)	Implementing A6 reporting using formats (initial report and annual information)
	Tracking WG (May 2023)	Case studies on development and operation of registries
2 nd	Plenary Meeting (Sep 2023)	Focusing on regional activities welcoming RCCs and regional alliances
	Authorization WG (Sep 2023)	Authorization processes and institutional arrangements
	Reporting WG (Oct 2023)	A6 reporting (initial report and annual information)
	Tracking WG (Nov 2023)	Development and operation of registries

Article 6 Implementation Partnership Center



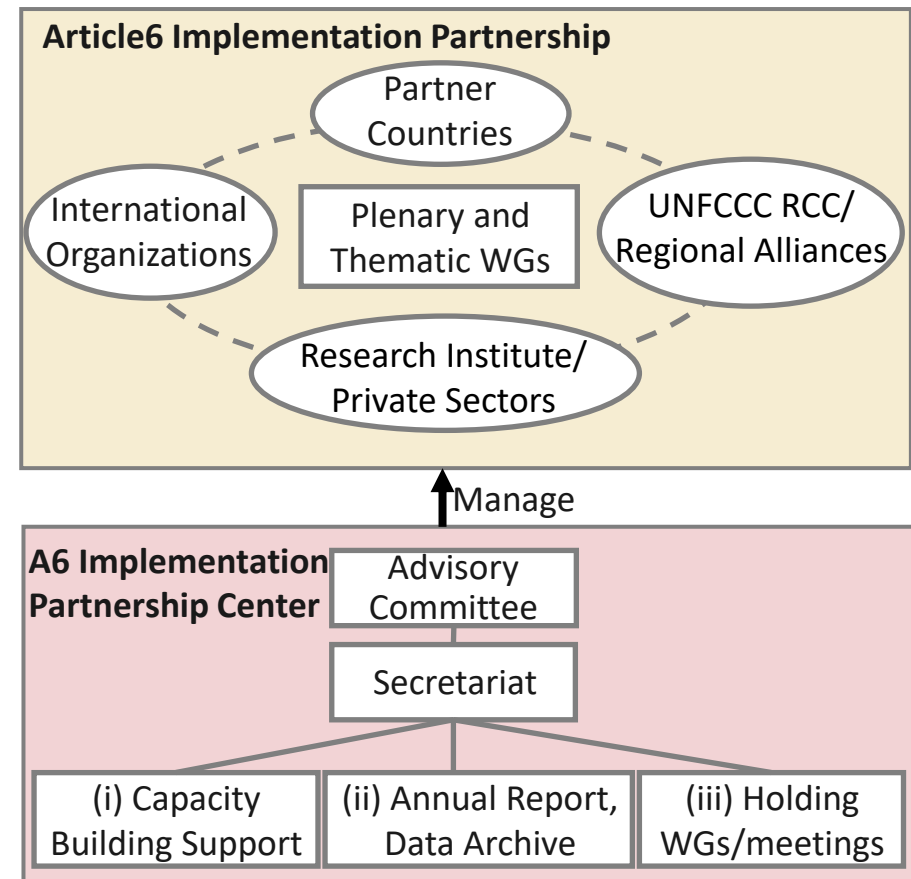
- In April 2023, MoE Japan established the “Article 6 Implementation Partnership(A6IP) Center”, in response to the outcomes of 2023 G7 Climate, Energy and Environment Ministers’ Meeting.
- As the secretariat promoting the activities of the A6IP, the Center aims to respond to the support needs of partners, provide relevant capacity-building support, and contribute to emission reductions and removals through the implementation of projects that leverage Article 6.

Activities of the Center

- Development of capacity-building tools for **authorization, reporting, and tracking**
- Development of **tailored support packages** responding to country needs
- Collection and dissemination of information on capacity-building support
- Management of the A6IP

Management Structure

- **Institute for Global Environmental Strategies (IGES)** will be responsible for managing the Center.
- The governing structure of the Center will be expanded in collaboration with **UNFCCC secretariat and the World Bank**.



Thank you



E-mail: a6_partnership@env.go.jp
Website: <https://a6partnership.org/>

-In order to promote the development of carbon markets while ensuring their environmental integrity, we adopt the “Principles of High Integrity Carbon Markets” as annexed, and will facilitate their implementation in carbon credit markets, including by sharing experiences through discussions of the Carbon Market Platform.

-Furthermore, we will collaborate to promote international coordination among various initiatives related to capacity building, including through the “Paris Agreement Article 6 Implementation Partnership”. For providing sustained activities at the Partnership, we welcome Japan’s initiative to establish the “Article 6 Implementation Partnership Center”, in this regard as a secretariat for the Partnership in supporting capacity building towards implementing Article 6 of the Paris Agreement.

Necessity to enhance integrity of carbon markets

- In order to achieve net-zero emissions, high integrity carbon credit markets need to be consistent with a pathway toward overall net-zero emissions.
- There is a growing need to enhance the integrity of voluntary carbon credit markets and their alignment to the goals of the Paris Agreement, including their incorporation of best practices related to carbon crediting mechanisms.
- In this context, we have developed this set of “Principles of High Integrity Carbon Markets”, which can inform global efforts to enhance integrity of carbon credits to allow all stakeholders to take advantage of the full potential of carbon markets for both voluntary and compliance purposes.
- In doing so, we acknowledge the vital contributions of organizations and initiatives advancing principles such as these to amplify environmental integrity in the creation and use of carbon credits, whether for voluntary or compliance purposes.

Components of the Principles

1. Supply-side Integrity

- Emission reductions/removals align with the 1.5 degree goal and achievement of net-zero emissions by 2050.
- **Alignment with Article 6 rules and the CORSIA** emissions units criteria and guidelines
- Appropriate measures are in place **to address environmental and social impacts** (including respect for human rights, gender equality, and the rights of Indigenous Peoples) .

2. Demand-side Integrity

- Unavoidable emissions should be eligible for use of credits and **contributing to the 1.5 degree goal of the Paris Agreement** and achievement of net-zero emissions by 2050.
- **Use the authorized credits in accordance with Article 6 rule** to achieve NDCs and other international mitigation purposes.
- **Use of credits should be widely disclosed** to encourage investment in new emission reductions other than their own emissions.

3. Market Integrity

- Markets should be **transparent, with information** on credits used for the voluntary market as well as the achievement of NDC recorded through a registry.
- Markets should be **publicly disclosed** in relation to their own emissions and strategies for achieving their goals.