

2nd Reporting Working Group of the
Paris Agreement Article 6 Implementation Partnership (A6IP)

Summary of Meeting

October 18, 2023

Organized by:

Ministry of the Environment, Japan (MOEJ) and
Paris Agreement Article 6 Implementation Partnership Center,
Institute for Global Environmental Strategies (IGES)

Disclaimer

The organizers have taken diligent measures to maintain objectivity and present a thorough conference summary. However, it is important to acknowledge the possibility of occasional errors. We kindly recommend referring to the meeting webpage for additional materials pertaining to each speaker's presentation.

Summary of the Meeting

The 2nd Reporting Working Group of the Paris Agreement Article 6 Implementation Partnership (A6IP) commenced with a welcome and introduction by Kazuhisa Koakutsu, Director at the Article 6 Implementation Partnership Center, who gave an overview of A6IP and its activities leading up to COP28 later this year.

Session 1 covered global progress on the A6 Initial Report from the perspective of partner countries, with presentations by:

- Xavier Tibau Alberdi, UNFCCC Secretariat
- Daniel Tutu Benefoh, Environmental Protection Agency, Ghana
- Felix Schmidt, Federal Office for the Environment of Switzerland

Session 2 turned to agencies supporting A6 Reporting, with presentations led by:

- Alexandra Soezer, UNDP
- Hari Gadde, World Bank
- Temuulen Murun, Institute for Global Environmental Strategies

Session 3 was a presentation followed by an open discussion on a tool for reporting being developed by the A6IP, led by:

- Chatthep Chanyam, A6IP Center

The meeting was concluded by Kazuhisa Koakutsu, Director at A6IP, who invited all participants to engage with the A6IP to jointly improve this tool for Reporting, as well as participate in the other Working Groups for Reporting and Tracking.

Key Takeaways

1. Reporting is the first opportunity for trusted third parties to review a country's GHG inventory, and must be seen as a credible way for countries to work faithfully towards net zero and environmental integrity, through their Article 6 goals.
2. However, significant ambiguity remains in the reporting process, especially leading up to the point of the initial report — as major elements such as bilateral agreements and institutional arrangements must be in place; review processes and authorization timings create “time gaps” where data can quickly become inaccurate; and key guidance is still pending from COP28, CMA 5, and the UNFCCC manual on reporting.
3. Countries' experiences show that this ambiguity can best be overcome through peer-to-peer learning, and tight coordination within and between countries to ensure data integrity — making collaborative forums and resources key to successful A6 reporting.

— Highlights from the minutes follow below —

Introduction

- A6IPC Updates

- Invitation to collaborate on A6IP Reporting Tool (as well as Authorization and Tracking Tools)

- Mr. Koakutsu gave an update on the Center, its activities, and how it is scaling up to better support partners: introducing 2 new full-time staff (Diana Khan and Hayato Nakamura) as well as the Center's new branding.
- He invited partners to look forward to the coming Tracking WG as well as other practical activities to support their implementation of A6, and to collaborate with the A6IP on the A6 tools it will be presenting at COP28, before inviting the UNFCCC, Ghana, and Switzerland to begin the first session.

Session 1: Information sharing on A6 Initial Report from partner countries

- Background on Reporting

- Sharing from countries with early experiences: Ghana and Switzerland

UNFCCC

- Mr. Alberdi covered key elements of reporting, and outlined recent and upcoming developments on the UNFCCC's A6 Reporting work program.
- Expected outcomes from decisions to be made at the upcoming CMA¹ 5 were specifically called out:
 - An agreed electronic format (AEF)
 - Sequencing — various scenarios where the AEF can be submitted independently on the initial report and its review, or whether it is subject to constraints on the initial report
 - Annual information as part of the regular information — ITMOs
 - Reporting implications of various methods for converting non-GHG² ITMOs³

¹ Conference of the Parties serving as the meeting of the Parties to the Paris Agreement

² Greenhouse gas

³ Internationally transferred mitigation outcomes

- Common nomenclatures — which elements have to be within them, and how they should be registered

Ghana

- Ghana’s initial reporting experience comes from its first Authorized program — a rice cultivation project with Switzerland, improving water use efficiency and cutting methane emissions — published Nov 2020, with the first delivery of ITMOs to Switzerland expected in Q2 2024. The entire process took 5 months.
- Mr. Benefoh highlighted 3 critical success factors from Ghana’s experience:
 - Constant data gathering and verification — Regularly collecting and updating info across diverse sources and checking for consistency, with a robust internal review & approval process before submission.
 - Constant coordination with partner countries — Timely and regular info must be traded to check its consistency, before adding it to the AIR⁴.
 - AIR should be updated before ITMO transfer — Information in the initial report may change before the ITMO transfer, since authorization happens in a window of uncertainty *before* the project has begun (a topic touched on in the A6IP’s previous Working Group on Authorization).
- A single “source of truth” is essential for collecting, updating, and verifying all information and data that ultimately feeds into reports.

Switzerland

- As a buyer country with 3 Authorized cooperative approaches, Switzerland has published 3 preliminary initial reports and created its own initial report template prior to the UNFCCC publishing its own. They have since translated their template to the UNFCCC’s, needing only minor layout changes to be made.
- Mr. Schmidt affirmed Ghana’s sharing on critical factors for successful reporting, reiterating that coordination (both within a country, and with a cooperative approach partner) is key for consistency on major decisions on authorizing and tracking ITMOs; CAs⁵; and contribution to ambition in mitigation / adaptation.
- While there are many major workstreams to coordinate before initial report submission — like bilateral agreements on ITMO metrics, CAs, and national NDCs⁶ — laying these foundations makes future reporting easier.
- He also called for international guidance and clarity on 2 fronts, highlighting:
 - The risk of locking in policy decisions for an entire NDC implementation period — it remains tough for countries to move ahead on projects, while waiting on future CMA decisions on initial reporting.
 - Need for mandated manuals on expectations for reporting — e.g. There is still little guidance on the appropriate level of detail to be included in specific clauses; over-abstractation may lead to losing critical nuances and info.

Session 2: Information sharing on A6 Reporting from supporting agencies

UNDP

⁴ Article 6.2 Initial Report

⁵ Corresponding adjustments

⁶ Nationally determined contributions

- Ms. Soezer introduced 2 layers of UNDP's support: resources for country readiness, and digital infrastructure tools. These include a step-by-step regulatory and institutional framework that has already been used to support multiple countries; a Voluntary Bilateral Cooperation webapp designed for scale, with new modular configurations added as new countries onboard to the platform; and a Digital Public Good National Carbon Registry that automates carbon credit issuance transparently.
- Responding to the specific challenges raised by Switzerland, Ms. Soezer presented templates for UNFCCC reporting, adding that guiding examples and initial reports from Ghana and Vanuatu would be made available by end-Oct 2023.
- She also agreed with earlier presenters that the reporting process remains challenging due to the diversity of projects and country needs, as well as ambiguity on what to report in which section, and concluded that all parties would continue to “learn by doing”, drawing on each others’ experiences to make reporting easier for all stakeholders over time, even as agencies like UNDP work to align and clarify processes moving forward.

World Bank

- Mr. Gadde discussed the emerging digital infrastructure for registries; and how WB is working with 20 countries to build an end-to-end digital ecosystem for carbon markets, that will give countries flexibility to choose modules that meet their needs (building on Ms. Soezer’s theme of scaling with modularity).
- Technological, functional, capacity building, and regulatory / policy best practices on how to build and deploy registry and MRV⁷ are not yet established, and more analysis is needed. In particular, countries and the WB must assess various business models to see which best enable countries to derisk the initial cost outlay of registry implementation and deployment, when costs are uncertain.
- On top of what Ghana and Switzerland have already shared, countries have also sought WB’s help to clarify how different report requirements relate to each other, and how they can set up institutional arrangements. Mr. Gadde shared a list of resources including webinars and technical papers that countries can draw from.
- Moving ahead, WB will continue to support initial and future reports (especially at the infrastructural level), with partnership and market implementation on domestic carbon pricing and markets, plus digital innovation on registries and data management.

Institute for Global Environmental Strategies

- Ms. Murun shared IGES’ learnings from having run multiple cycles of its Mutual Learning Program for Enhanced Transparency (MLP) — a capacity building workshops for Article 6.2 reporting — with 8 partner countries since 2020, before UNFCCC guidance was published.
- Key to the MLP is drafting a hypothetical Art. 6.2 reporting using the JCM⁸, a collaborative process where countries “learn by doing” and trade feedback on each other’s reports in a supportive setting.
- A survey of MLP countries confirmed that partner countries face challenges in understanding and implementing Article 6 guidance, including a limited understanding of CA methods and reporting requirements. Practical exercises such as drafting reports and reviewing other countries' reports can be helpful in deepening understanding and identifying gaps, though the most important need is for flexible capacity building on domestic arrangements and registry

⁷ Measurement, reporting, and verification

⁸ Joint Crediting Mechanism

systems, which should be tailored to meet countries' needs, down to the level of program schedule, topics, and format.

Session 3: Discussion about the development of a tool for reporting

A6IP

- Adding to the suite of solutions to manage the A6 reporting challenges discussed earlier, Mr. Chanyam presented the A6IP's work on a tool with various elements, each targeted at supporting various stages of the reporting process.
- Linking the tool back to the topics discussed during Sessions 1 and 2 — special attention was given to how it directs users to the most relevant public databases and capacity building resources where necessary, provides indicative examples on how to respond to questions, and incorporates info from Ghana and Switzerland's initial submissions.
- The tool also extends to AEF reports & regular information reports — comprehensively laying out all info needed. A next draft will be shared by Nov '23, iterated on, presented at COP28, then finalized next year.

Discussion

- Capacity building for reviewers was flagged as a priority need, as it directly impacts initial reporting and regular information reporting. WG participants were keen to receive the UNFCCC manual and other resources supporting reporting ASAP — particularly before April '24 as countries will be preparing for annual information reports and starting their review processes by then. Mr. Alberdi confirmed that — while working with limited bandwidth — the UNFCCC is focusing on this manual as it is an asset of key interest to many countries; and Ms. Murun mentioned that the MLP will help countries bridge the knowledge and practice gap in the meantime.
- Both Ghana and Switzerland emphasized that A6 reporting must be considered in, and linked back to, the broader context of net zero and environmental integrity. This can be achieved by ensuring ministries and other stakeholders are coordinated on broad national strategies, and tracking where and how authorization is done, so reporting can faithfully and credibly provide an auditable view of a country's GHG inventory, concretely defining the impacts and safeguards for activities, and by constantly updating and aligning data to overcome "time gaps" created by lengthy review processes.
- In response to questions on how countries should engage with the wide variety and complexity of examples, templates, and resources on reporting, Mr. Koakutsu explained how the A6IP will address this by offering a toolkit that compiles, coordinates, and builds on the materials available so countries can pick and choose what meets their needs.

Closing

remarks

- Mr. Koakutsu concluded that while parties wait for clarity from COP28, CMA 5, and resources such as the UNFCCC manual, countries should begin by tapping on countries who already have reporting experience, as well as the resources already available — such as the UNDP's resources and the A6IP's reporting tool. He also reiterated that in the absence of clear guidance, environmental integrity should be the principle to follow when dealing with ambiguity in the reporting process.