

Submission by Japan

Views on rules, modalities and procedures for the mechanism established by Article 6, paragraph 4,
of the Paris Agreement

(27 September, 2016)

Japan welcomes the opportunity to submit its views on rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement (hereinafter referred to as “the mechanism”), as referred to in paragraph 100 of Report of the Subsidiary Body for Scientific and Technological Advice on its forty-fourth session, held in Bonn from 16 to 26 May 2016 (FCCC/SBSTA/2016/2).

In designing the mechanism, it is important to utilize experiences gained and lessons learned from the clean development mechanism (CDM) under the Kyoto Protocol. The mechanism should be carefully designed not to repeat various problems resulted from implementation of the CDM such as imbalanced geographical distribution of CDM projects, distortion of type of projects in terms of the amount of issued credits, and lengthy processes under its project cycle. The mechanism should deliver “overall mitigation in global emissions” as referred to in Article 6, paragraph 4 (d), of the Paris Agreement. For this purpose, the approaches taken under the mechanism for its methodologies for monitoring, reporting and verification of mitigation outcomes should be different from those approved under the CDM.

Being different from the CDM under which countries are bifurcated as reflected in the Annex of the UNFCCC, the mechanism allows any Parties to become host Parties and/or investing Parties. For example, the membership of its supervising body should be different from the CDM executive board. Institutional arrangements for managing units or credits issued under the mechanism should be different from those for the CDM under which only Annex I countries have their national registries and the cost for operating and maintaining international transaction log is borne only by Annex I countries.

If the units or credits issued under the mechanism are used by a Party to achieve its nationally determined contribution, the issue of double counting needs to be addressed. In such cases, the Parties shall apply robust accounting consistent with the guidance adopted by the Conference of the Parties serving as the meeting of the Parties to this Agreement as referred in Article 6, paragraph 2.