

Japan's submission on Article 6 of the Paris Agreement

Avoiding double use of emissions reductions achieved outside the nationally determined contributions, Article 6.4.

April 2021

Introduction

Japan welcomes the invitation from the SBSTA Chair to voluntarily submit further views on the “avoiding double use of emissions reductions achieved outside the nationally determined contributions, Article 6. Paragraph 4 (Article 6.4)”. Japan presents its views on this matter, as follows:

Applying a corresponding adjustment for A6.4 ERs

Under the Paris Agreement, avoiding double counting for ensuring environmental integrity is crucial to contribute to global emissions reductions. For this purpose, as a core principle, corresponding adjustments should be applied for all emissions reductions including Article 6.4 emission reductions (A 6.4 ERs), generated from either inside or outside of a Party's NDC, when the reductions are internationally transferred and used towards other Parties' NDCs or other international mitigation purposes.

The host Party is required to provide the Supervisory Body with the authorization for A6.4ERs to be internationally transferred mitigation outcomes (ITMOs) for use towards other Parties' NDCs or to be used for other international mitigation purposes, if the Party decides to do so.

On the contrary, A6.4ERs which are not authorized by the host Party to be ITMOs cannot be used towards other Parties' NDCs or other international mitigation purposes, therefore, corresponding adjustments may not be applied.

Treatment of A6.4ERs that are generated from outside of a host Party's NDC

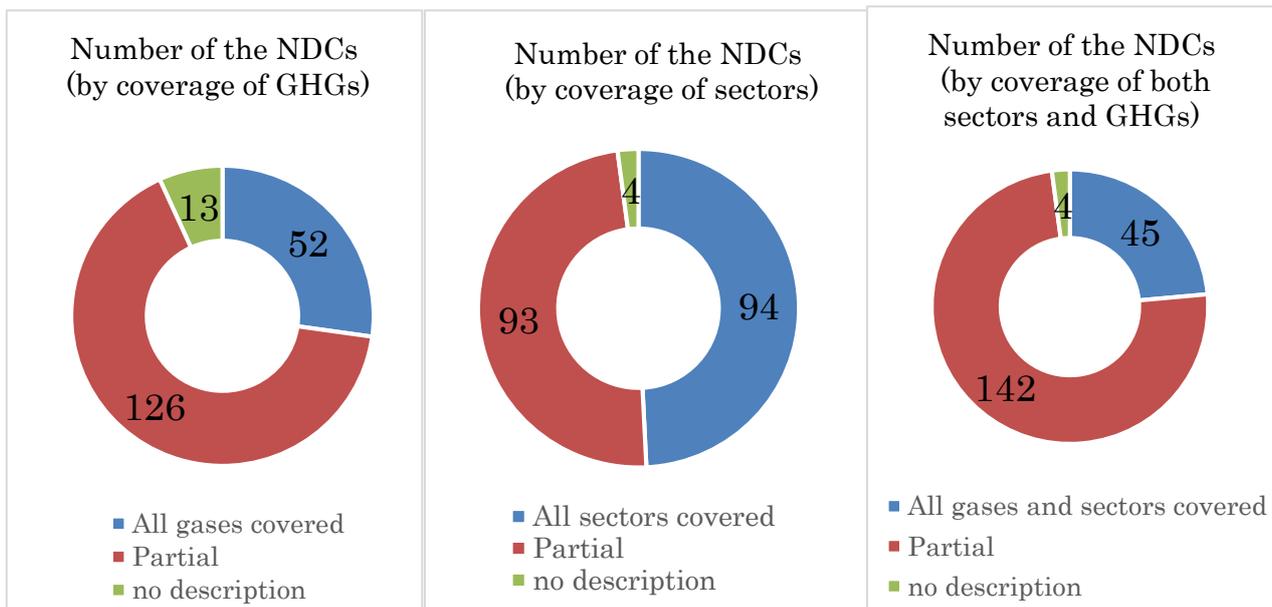
Regarding A6.4ERs that are generated from outside of a host Party's NDC, the presidential draft texts on Article 6.4 presented at COP25 indicates an option of not applying corresponding adjustments for a certain period of time, even when those reductions are used towards other Parties' NDCs or other international mitigation purposes.

As stipulated in Article 4.4 of the Paris Agreement, Parties are encouraged to move over time towards economy-wide absolute emission reduction targets. Japan is of the view that the option of not applying corresponding adjustments in relation to A6.4ERs generated from outside of a host Party's NDC for a certain period of time, when the reductions are used towards other Parties' NDCs or other international mitigation purposes, should be carefully considered from the perspective of ensuring environmental integrity and contributing to global emissions reductions. Japan has come to take this view in the light of the following factors;

- When all sectors and greenhouse gases (GHGs) are covered by a Party's NDC, all A6.4ERs are supposed to be covered by the NDC. However, as shown in Figure.1 below, there are existing NDCs which do not

cover all sectors and GHGs. There are also such NDCs which covers all sectors but not all GHGs. In short, it is not at all easy to objectively figure out whether A6.4ERs are generated from inside or outside of a host Party’s NDC.

- Furthermore, there are some differences in definitions of sectors and GHGs used in NDCs which have been submitted by Parties to date.
- In case where inside or outside of a Party’s NDC is defined by the Party on the basis of anything other than sectors and GHGs, as per the “among others” provision in the version 3 of the presidential draft texts, it is highly likely that it will be even more difficult to distinguish whether A6.4ERs generated in the Party are from inside or outside of its NDC.



(Source: IGES NDC Database, April 2021)

<https://www.iges.or.jp/en/pub/iges-indc-ndc-database/en>

< Figure.1 Numbers of NDCs by coverage of GHGs and Sectors >