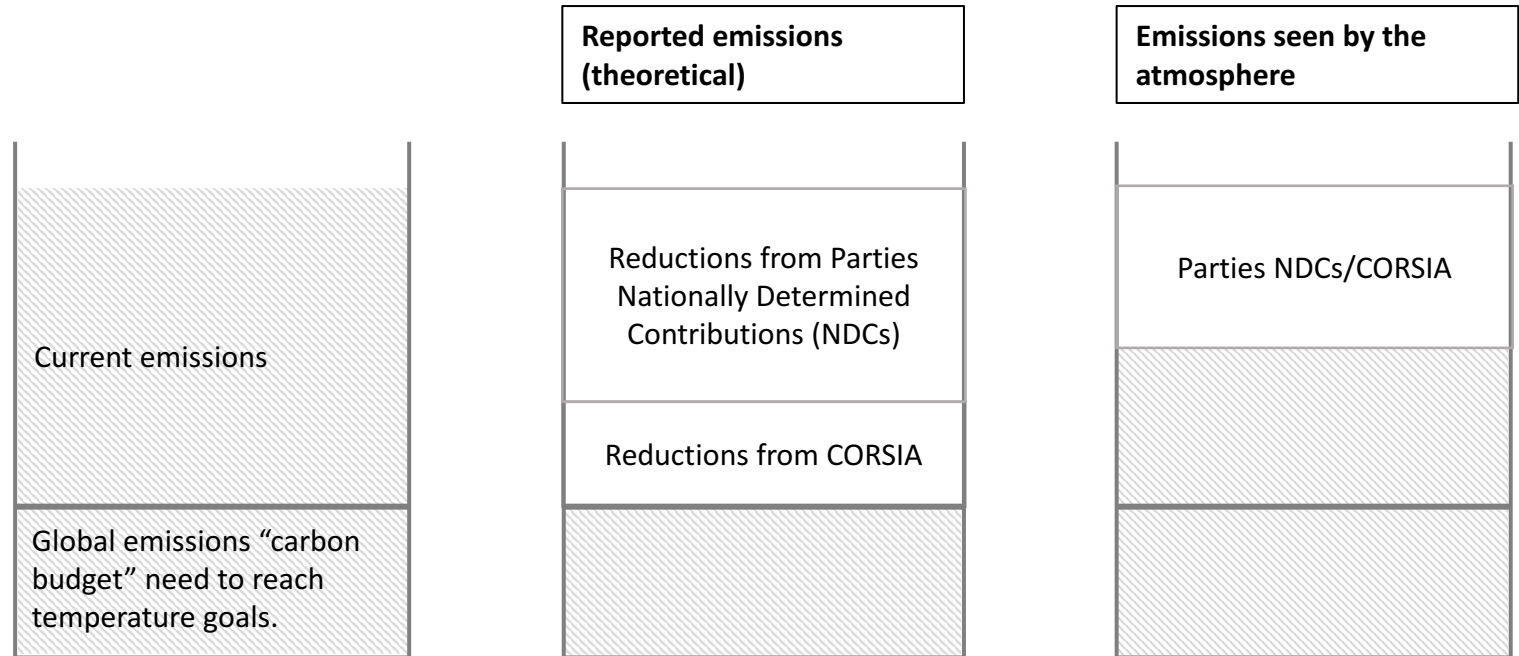


Double counting

Lorna Ritchie

Why are we avoiding double counting?

- The Paris Agreement established a temperature goal to hold the global average temperature to well below 2 degrees and to pursue efforts to limit the temperature increase to 1.5 degrees.
- Recent IPCC report highlights the risks of hitting 1.5 degrees let alone 2 degrees
- What matters is what the atmosphere sees
- The remaining emissions budget for a 1.5 degree scenario is 770 GtCO₂ for a 50% chance (570GtCO₂ for a 66% chance)
- It's important that all sectors and parties contribute in order to keep within this range
- Current NDCs would lead to a reduction of emissions in 2030 of 52-58GtCO₂/yr
- Both ICAO and IMO have pledged to contribute towards the Paris Agreements' temperature goals



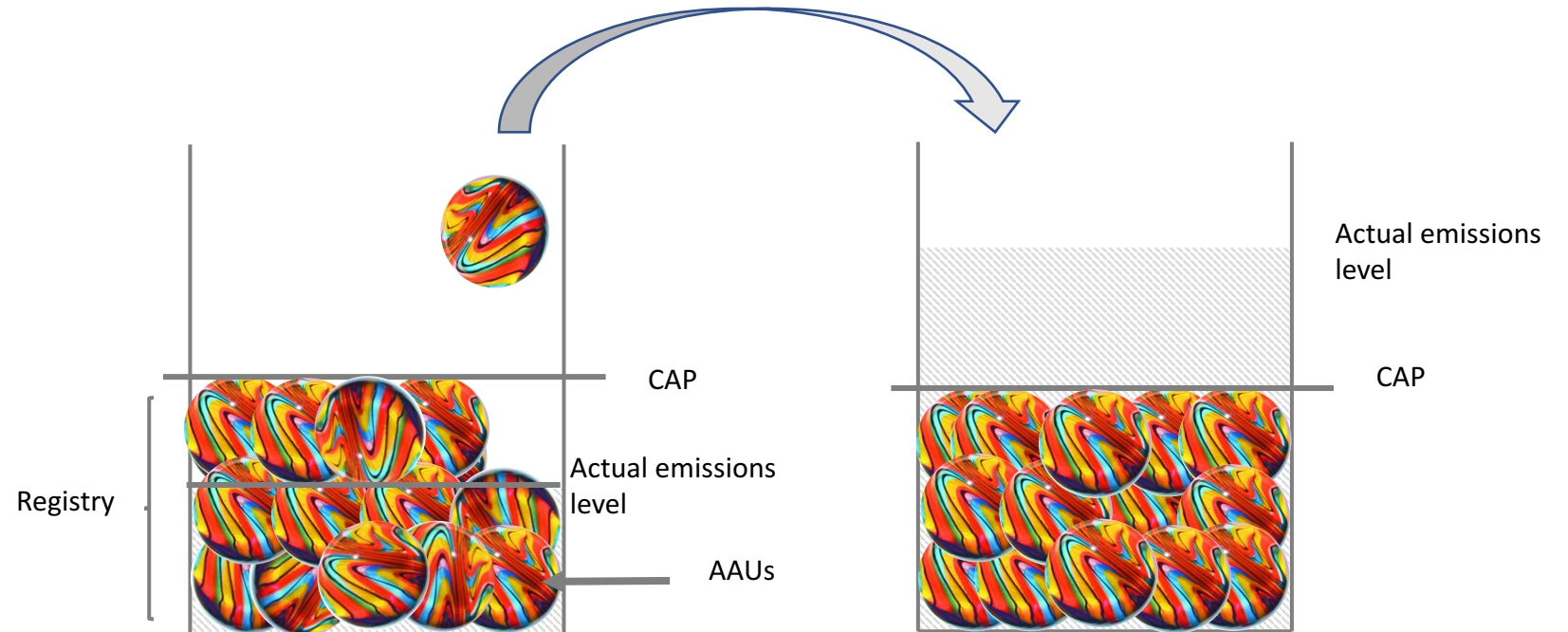
If emission reductions are double counted, actual global greenhouse gas (GHG) emissions could be higher than the sum of what individual countries report. As a result, countries could appear to meet established mitigation pledges, while total emissions exceed these levels

Is it emissions or ITMOS? Types of double counting:

- **Double claiming:** occurs if the same emissions reduction is counted twice, by both the buyer and the seller (i.e., counted towards the climate change mitigation effort of both an airline and the host country of the emissions reduction activity).
- **Double-issuance:** Multiple units are issued for one tonne of mitigation (e.g. if project is registered under multiple programmes).
- **Double-use:** one unit is issued or transferred to, or owned or cancelled by, multiple entities at any given time.
- **Double-selling:** Double selling occurs when one or more entities sell the same unit more than once

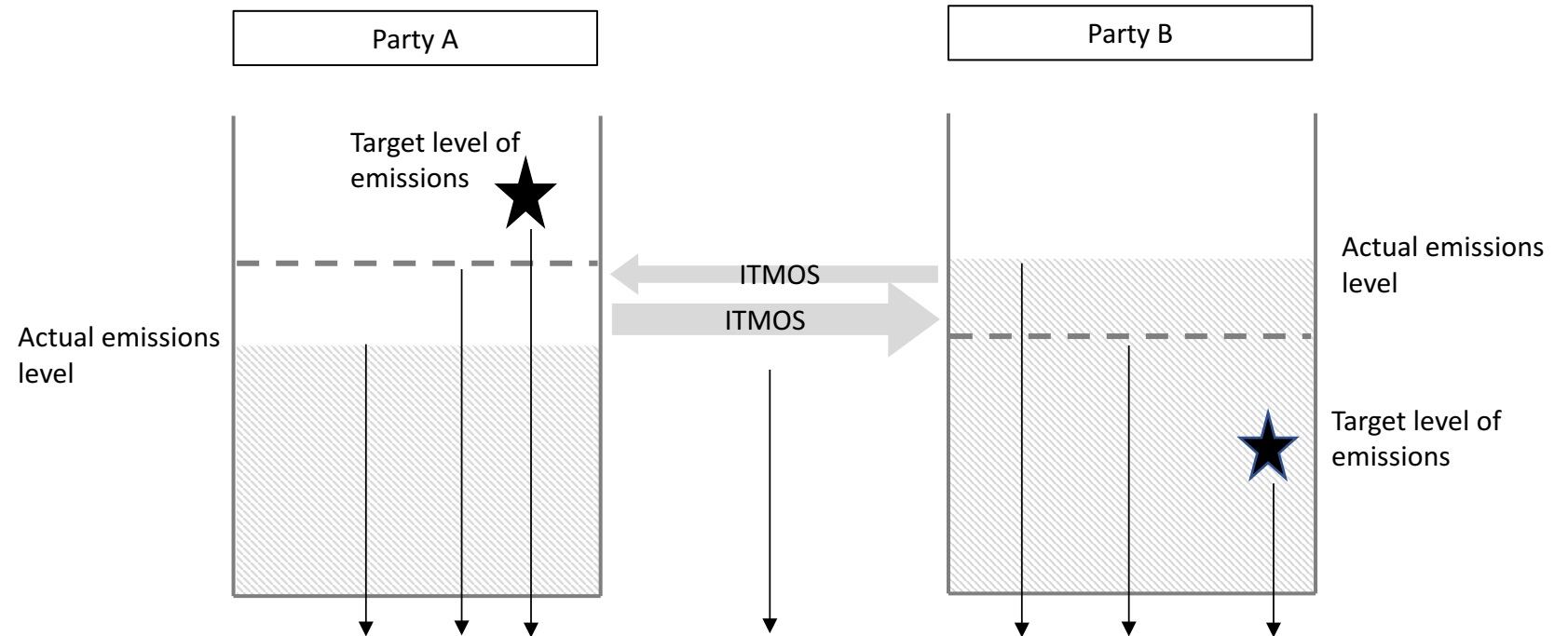
Kyoto Protocol (JI): What information is needed?

- Under Kyoto Protocol, only “Annex 1” (developed) Parties have binding commitments.
- Annex 1 Parties are assigned “Assigned Amount Units” (AAUs) which correspond to their emissions cap. AAUs are recorded in a registry.
- JI was one of the mechanisms that could be used by developed countries to help them meet their targets.
- In the JI mechanism both the buyer and the seller were annex 1 countries.
- Both Parties had targets so it was important to avoid both Parties claiming the same emissions reductions towards their KP commitments.
- When a Party transfers emissions reduction units (ERUs) associated with a project to another Party a corresponding number of AAUs is cancelled in the host Party’s registry.
- At the end of a commitment period annex 1 parties have to surrender enough AAUs to cover their emissions from that period.



Paris Agreement: What information is needed?

- Under the Paris Agreement all Parties have a Nationally Determined Contribution (NDC). These are bottom up targets.
- As all Parties have targets all parties must avoid double counting.
- Through 6.2 Parties can Internationally Transfer Mitigation Outcomes (ITMOs), including 6.4 units which are subject to the same guidance.
- There are no AAUs and most parties have single year targets rather than budgets. This creates new complications for avoiding double counting.
- We propose to record yearly actual emissions using adjustments against the emissions reported in the inventory through a “structured summary”



Information needed to avoid double counting:

Reference level (GHG emissions and removals which correspond to the NDC in the base year)

Annual level (GHG emissions and removals corresponding to the NDC for each year of the NDC period)

Target level (GHG emissions and removals for the final year of the NDC)

Net flow of ITMOs per cooperative approach per year

Transfers to Party obligations which contribute the Paris Agreement Goals (e.g. CORSIA)

CORSIA

- Aviation currently is responsible for 5% of global warming and if current growth rates continue it is estimated that by 2050 it will account for 27% of the carbon budget under a 1.5 degree scenario.
- Under the 2016 ICAO Assembly Resolution introduced the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). This scheme aims to ensure that any emissions growth from 2020 is offset.
- The Assembly Resolution also recognises that *the work related to a global MBM scheme for international aviation and its implementation will contribute to the achievement of the goals set out in the Paris Agreement.*
- To do this, double claiming between the Paris Agreement and CORSIA must be avoided

