

Informal Forum on Implementation of Article 6 of the Paris Agreement

Robust Accounting

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Avoidance of double counting is required under the Paris Agreement

Article 4.13

Parties shall account for their NDCs. In accounting for anthropogenic emissions and removals corresponding to their NDCs, Parties shall promote EI, transparency, accuracy, completeness, comparability and consistency, and ensure **the avoidance of double counting**, in accordance with guidance adopted by the CMA.

Article 6.2

Parties shall, where engaging on a voluntary basis in cooperative approaches that involve the use of ITMOs towards NDCs, promote SD and ensure EI and transparency, including in governance, and shall apply robust accounting to ensure, inter alia, **the avoidance of double counting**, consistent with guidance adopted by the CMA.

Avoidance of double counting is also stipulated in COP21 decision adapted in Paris

36. *Requests* the SBSTA to develop and recommend the guidance referred to under Art 6.2, of the PA for consideration and adoption by the CMA1, including guidance to ensure that **double counting is avoided** on the basis of a corresponding adjustment by Parties for both anthropogenic emissions by sources and removals by sinks covered by their NDCs under the PA;

92. *Also requests* the APA, in developing the recommendations for the modalities, procedures and guidelines referred to in paragraph 91 above, to take into account, inter alia:

(f) The need to ensure that **double counting is avoided**;

Avoidance of double counting is required for ICAO/CORSIA as well

Resolution A39-3: Consolidated statement of continuing ICAO policies and practices related to environmental protection – Global Market-based Measure (MBM) scheme

21. Decides that emissions units generated from mechanisms established under the UNFCCC and the Paris Agreement are eligible for use in CORSIA, provided that they align with decisions by the Council, with the technical contribution of CAEP, including on **avoiding double counting** and on eligible vintage and timeframe;

25. Requests the Council to explore further development of aviation-related methodologies for use in offsetting programmes, ..., which could further enable the use of credits generated from the implementation of such programmes by the CORSIA, **without double-counting** of emissions reduction;

CORSIA: Carbon Offsetting and Reduction Scheme for International Aviation

How to avoid double counting is under negotiation and there is no consensus as of now

Excerpt from Informal note by the co-chairs of Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement

(b) Method of the corresponding adjustment

Potential element a: In a target/budget-based approach, effecting an addition

Potential element b: In an emissions-based approach, effecting a subtraction

Potential element c: In a buffer registry approach, effecting an addition and/or subtraction

Potential element d: In an emission reductions-based approach, effecting an addition

(c) Timing of the corresponding adjustment

Potential element a: At acquisition of the ITMO

Potential element b: At use of the ITMO towards NDC

Potential element c: At time of submitting information per Article 13.7

Potential element d: All/some of above

(d) Application of the corresponding adjustment

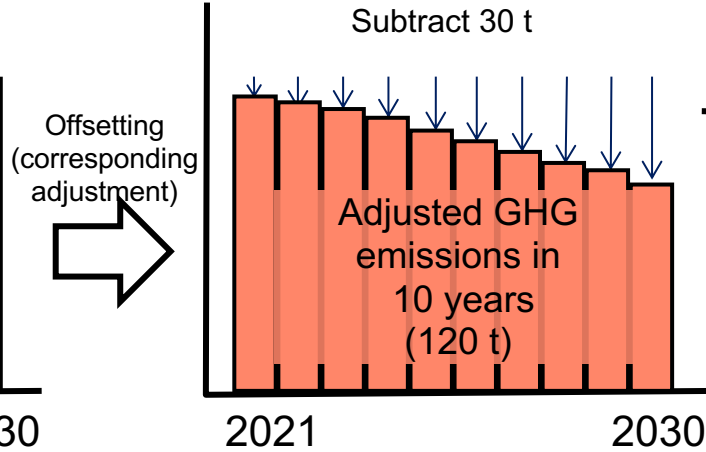
Potential element a: If mitigation outcomes can be issued/created from outside the NDC, corresponding adjustment upon international transfer/issuance

Potential sub-element (a): For ITMOs issued/created from inside the NDC only

Potential sub-element (b): For all ITMOs created/issued inside and outside the NDC

Double counting will occur under the current practice

Country B (Acquiring Party)

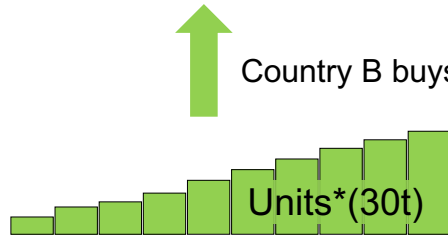
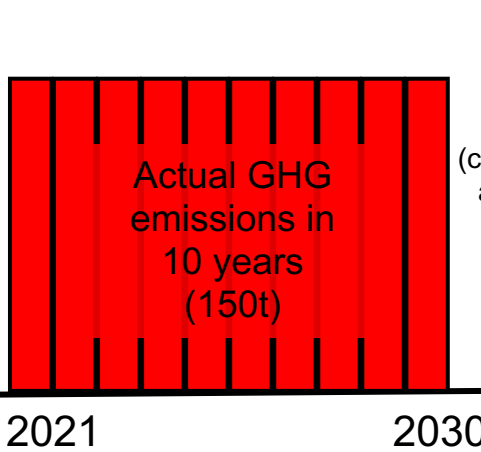
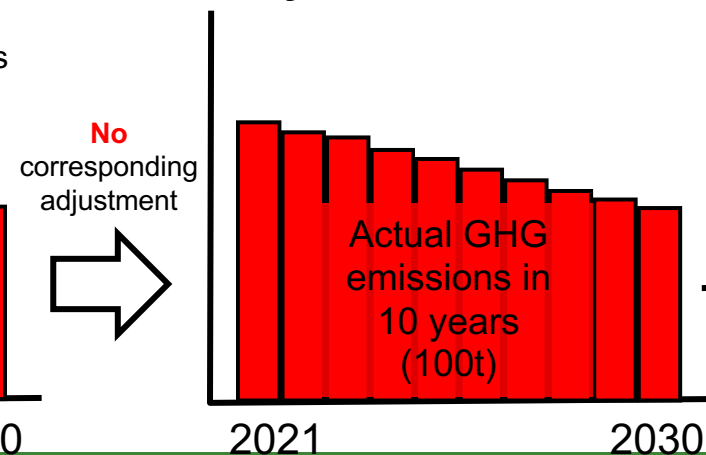


Sum of actual emissions from both Country A and B = **250 t**

Sum of adjusted emissions from Country A and actual emissions from Country B = **220 t** (which is a different value from the sum of actual emissions and **there is double counting of 30 t units**)

The overall emissions look reduced, but actual emissions have not reduced.

Country A (Transferring Party)

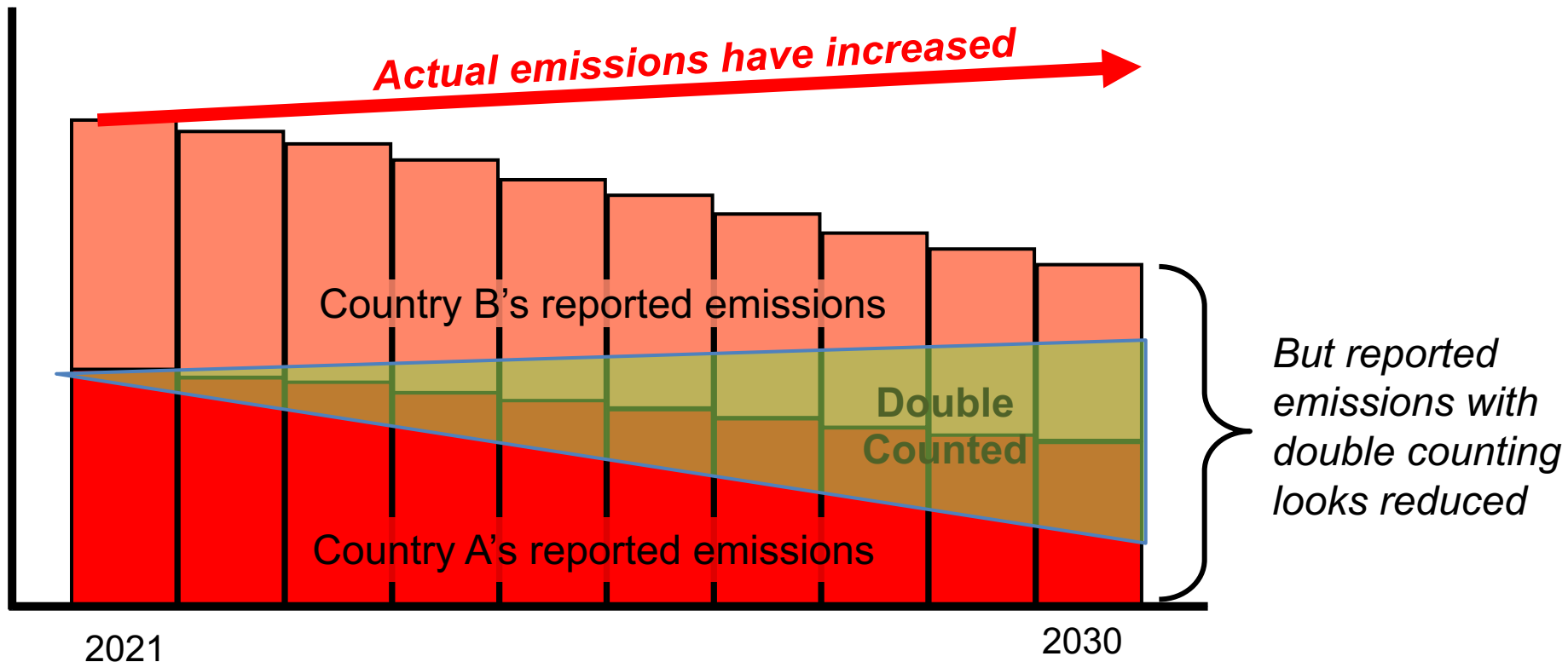


Country B buys and uses

Country A sells

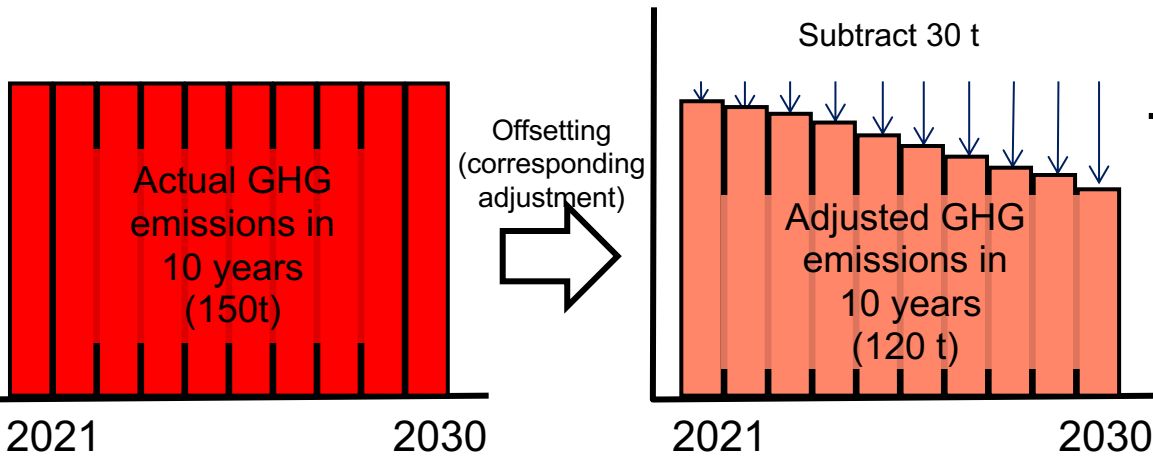
Double counting will allow global higher emissions

GHG emissions



Double counting will be avoided by corresponding adjustment of emissions

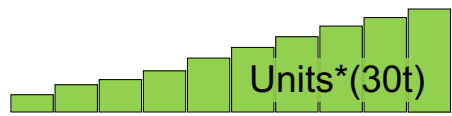
Country B (Acquiring Party)



Sum of actual emissions from both Country A and B = 250 t

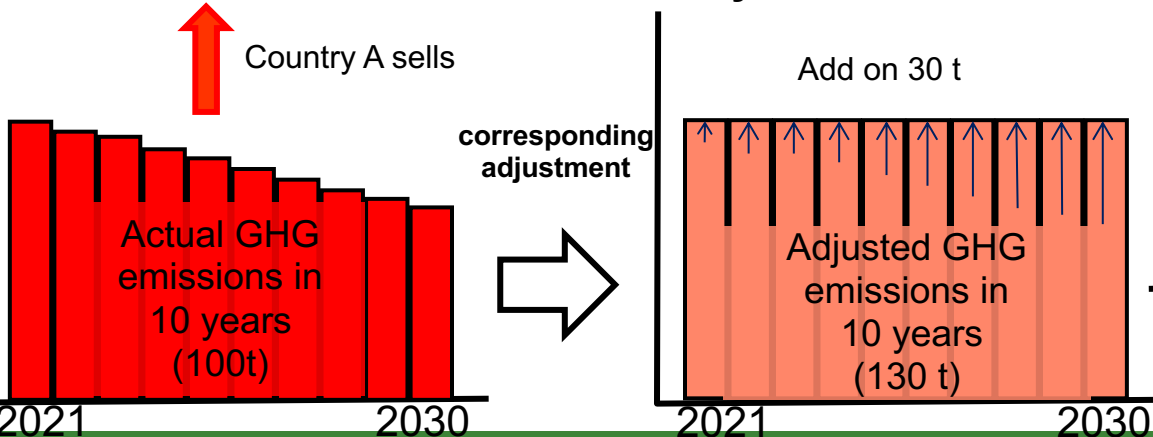
Sum of adjusted emissions from Country A and B = 250 t (which is the same value with actual emissions and there is no double counting)

Country B buys and uses

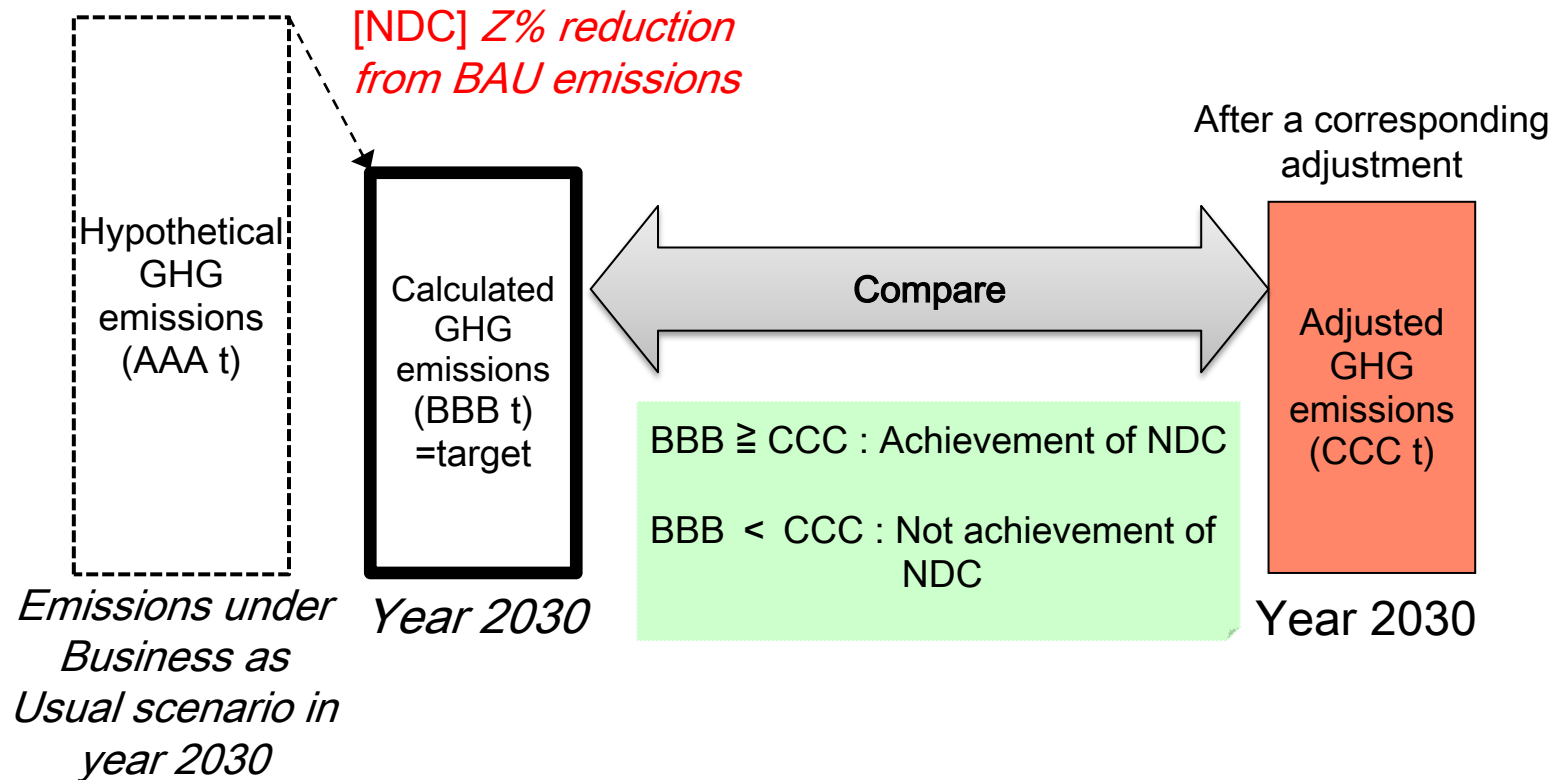


Country A sells

Country A (Transferring Party)

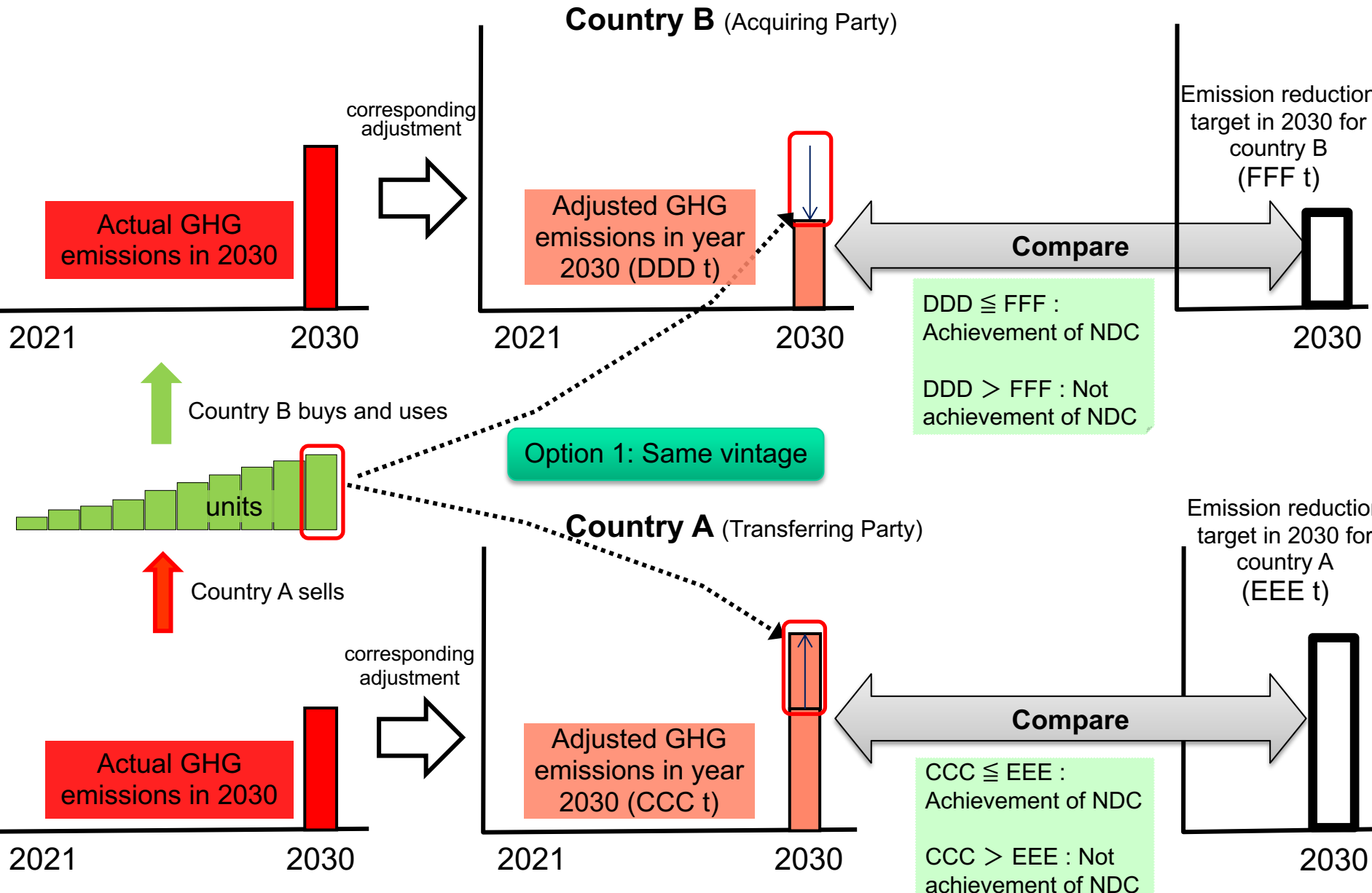


Achievement of NDC should be assessed by comparing the target and adjusted emissions

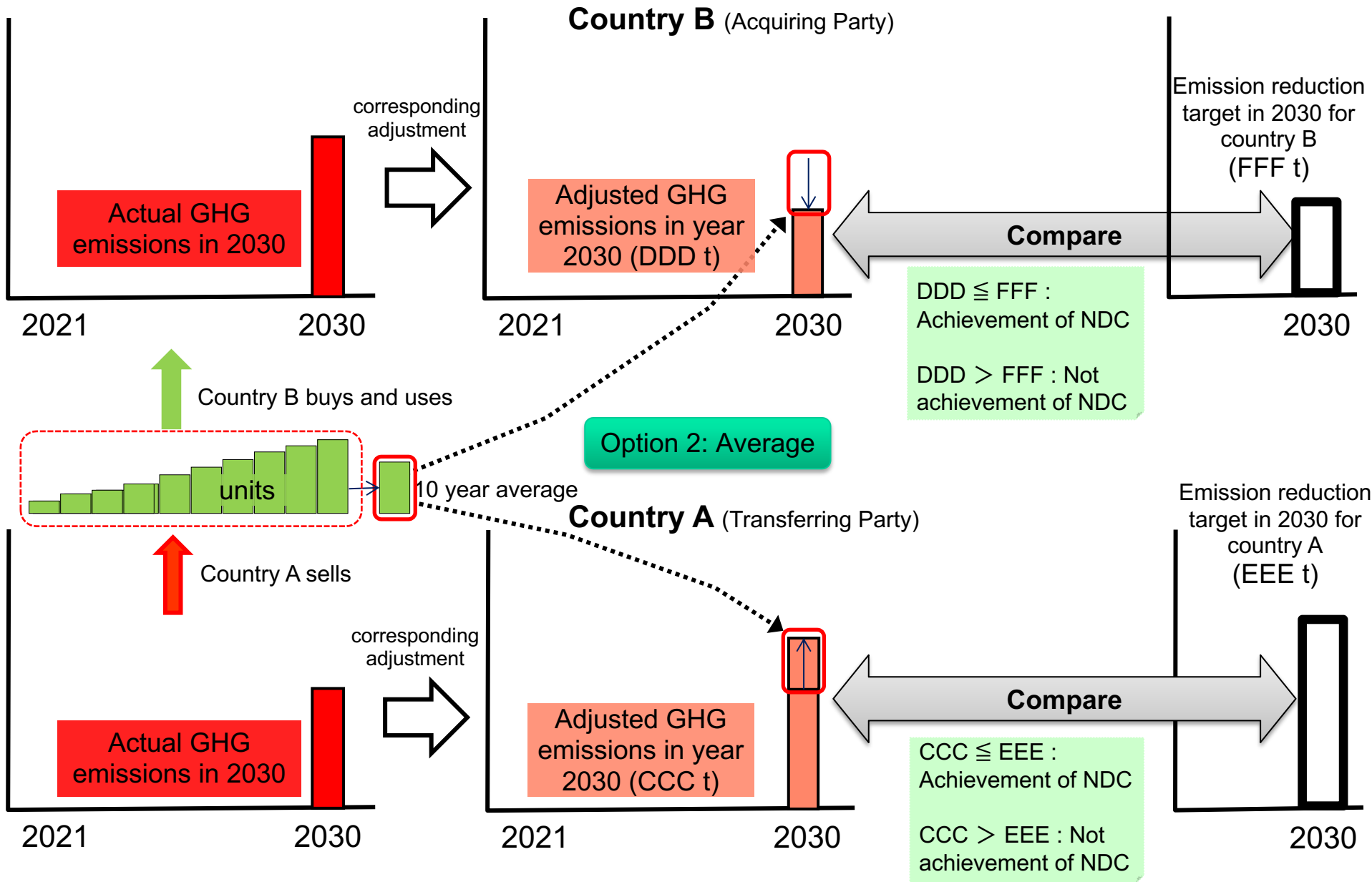


How to adjust a single-year emissions with emission reduction units generated during multiple years will be the question to be solved.

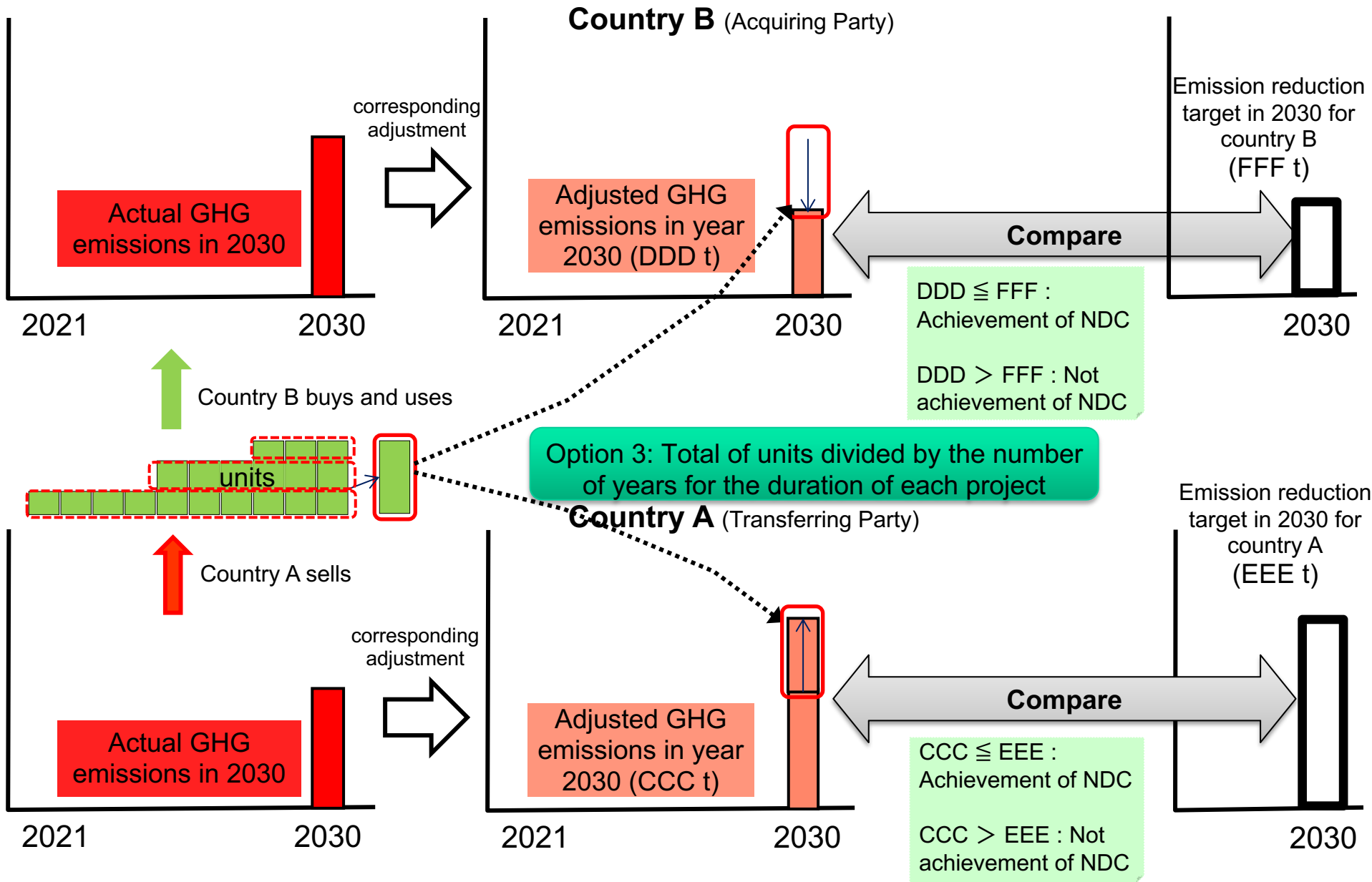
Possible accounting rules for use of units for a single-year target 1



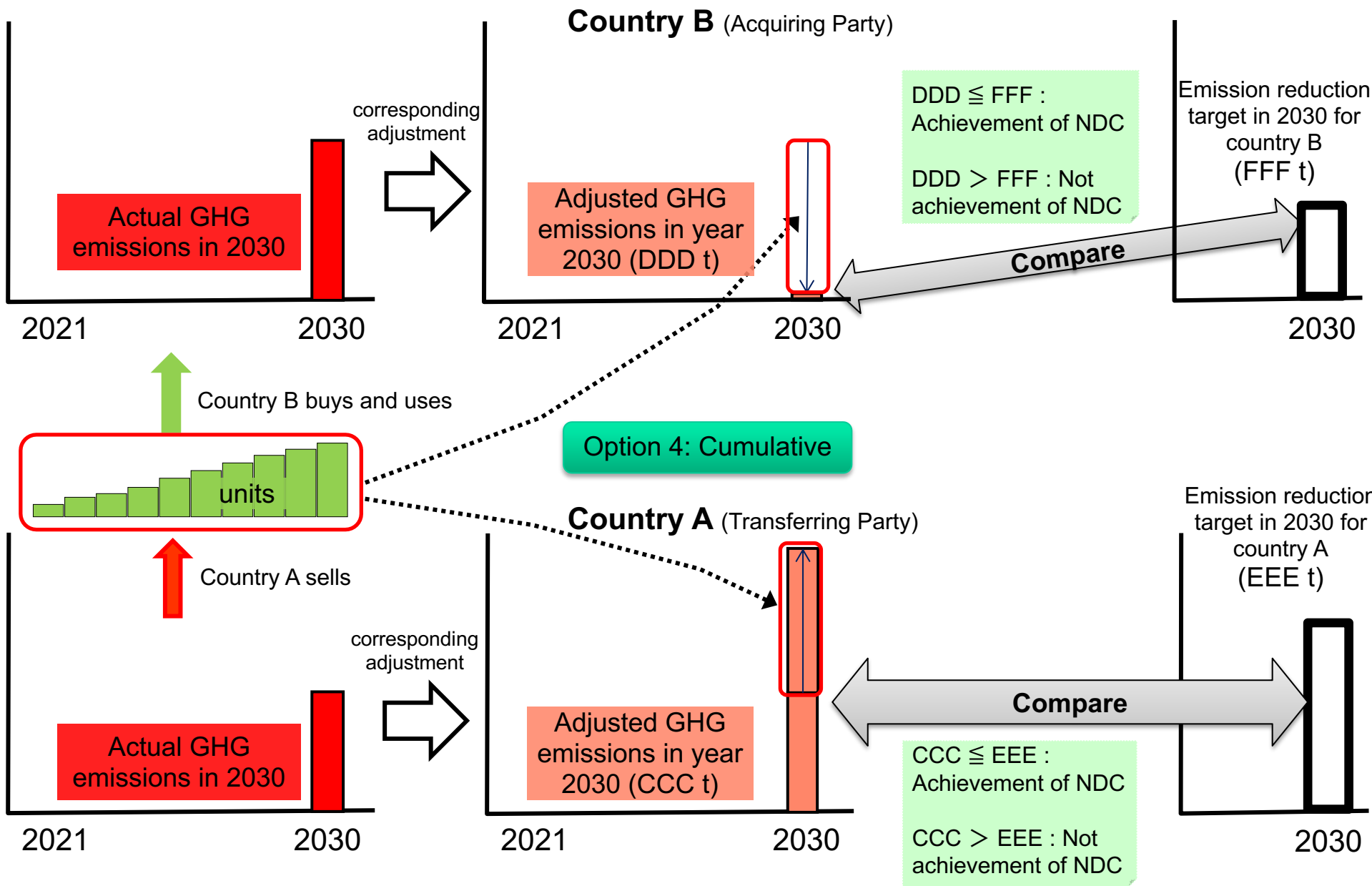
Possible accounting rules for use of units for a single-year target 2



Possible accounting rules for use of units for a single-year target 3

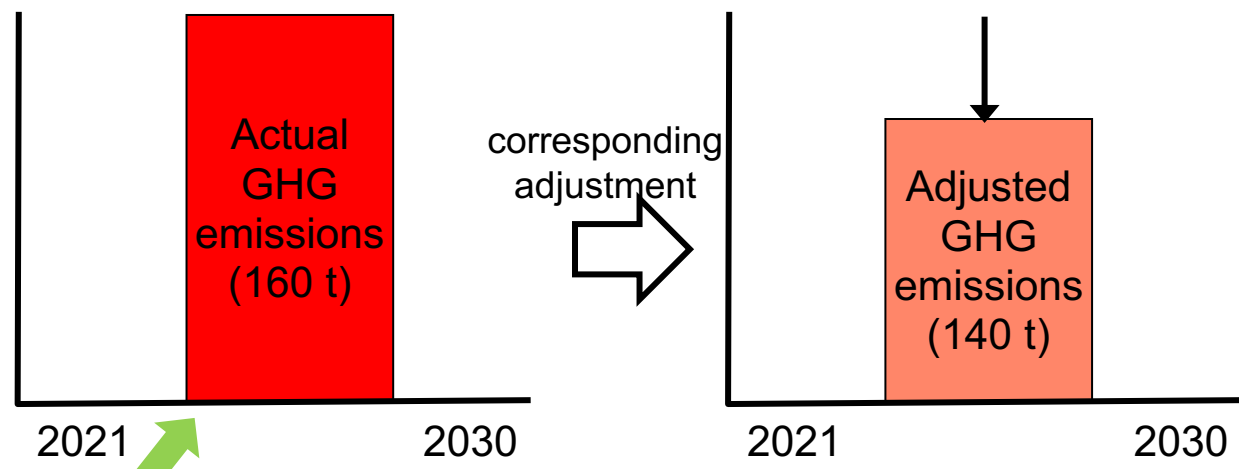


Possible accounting rules for use of units for a single-year target 4



Possible accounting rules for use of units issued before 2020 (Op1)

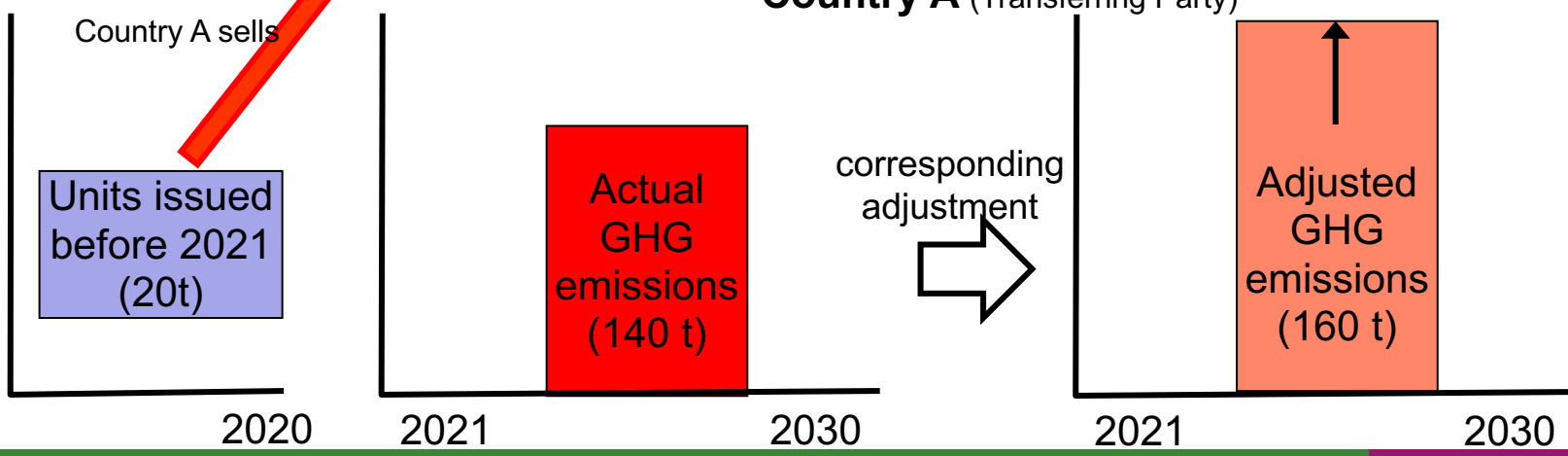
Country B (Acquiring Party)



Country B buys and uses

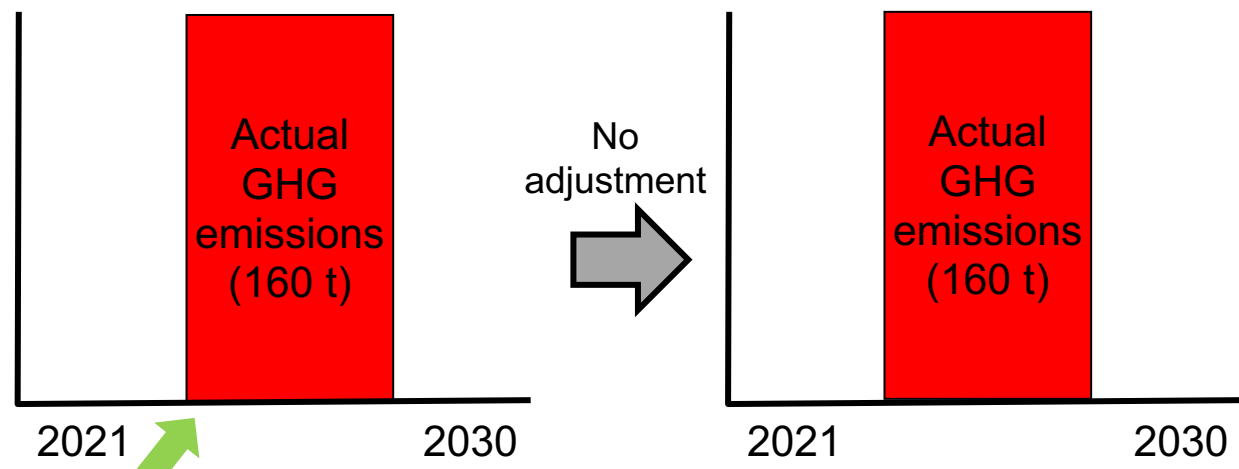
Option 1: Corresponding adjustment of emissions after 2020

Country A (Transferring Party)



Possible accounting rules for use of units issued before 2020 (Op2)

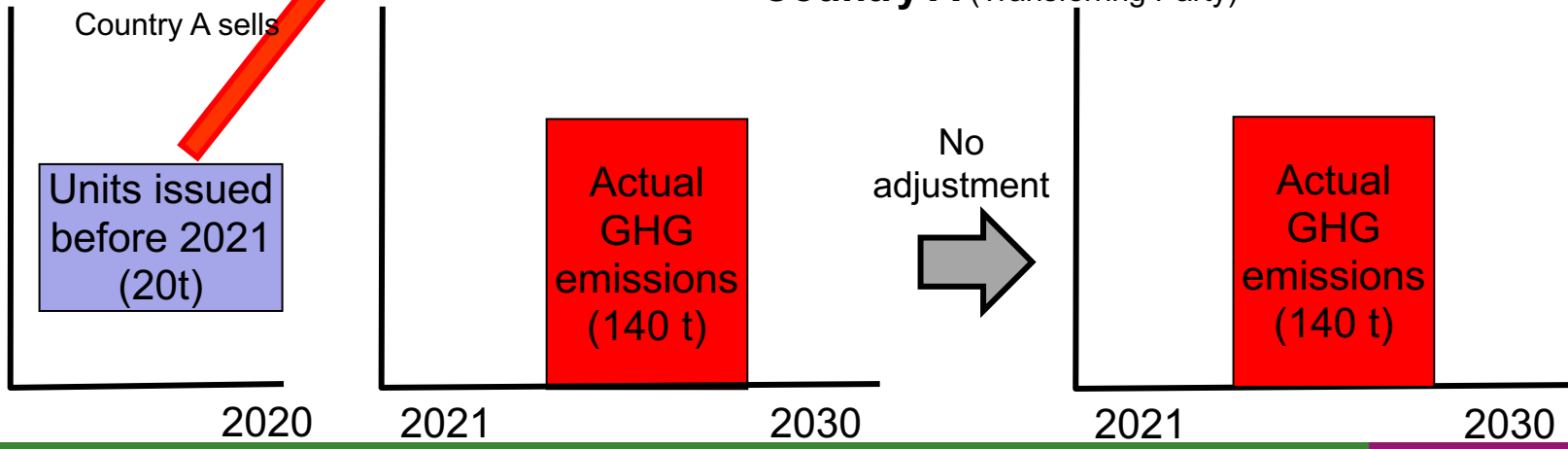
Country B (Acquiring Party)



Country B buys

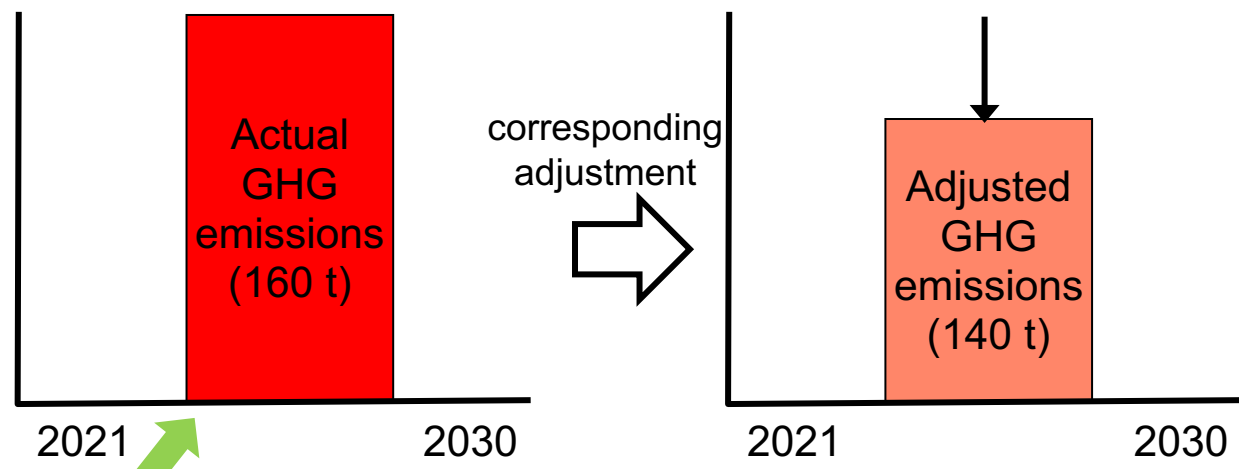
Option 2: Prohibiting use of units issued before 2020

Country A (Transferring Party)



Possible accounting rules for use of units issued before 2020 (Op3)

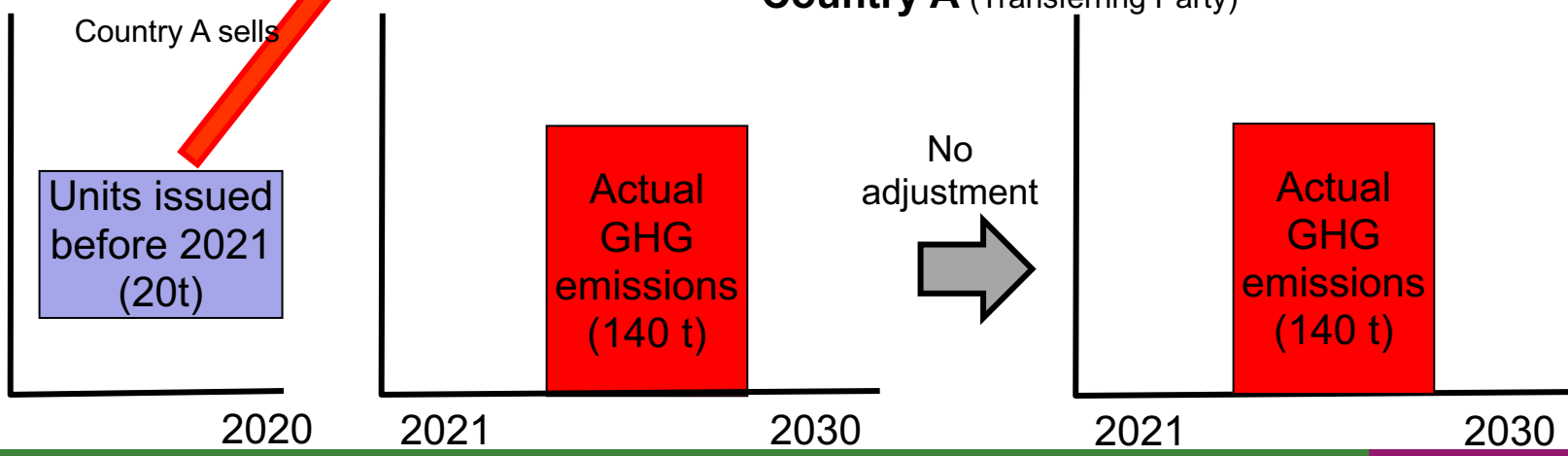
Country B (Acquiring Party)



Sum of adjusted emissions from Country A and B = 280 t (which is a different value from sum of actual emissions and there is double counting of 20 t units).

Option 3: No corresponding adjustment of emissions after 2020 for a seller

Country A (Transferring Party)



This accounting rule has an effect of increasing actual emissions after 2020.

Avoidance of double counting is crucial to achieve the objective of the Paris Agreement

- ✓ There will be various elements for “robust accounting”, but avoidance of double counting is crucial.
- ✓ If internationally transferred units are double counted, that will contribute to global increase of actual GHG emissions even if those units have excellent environmental integrity.
- ✓ Avoidance of double counting is already stipulated in the Paris Agreement but there will be challenges in implementing.
- ✓ If we escape from those challenges with any reasons, ITMOs will allow global higher emissions.

Double counting is the Emperor's New Clothes

**We have reduced
GHGs by offsetting!**

It is not warm!!

**But actual
GHGs have
increased...
It is warm...**

