Double Counting

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COP21 decision

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;
Double counting will occur under the current practice. The overall emissions look reduced, but actual emissions have not reduced.

**Country B (Acquiring Party)**

- Actual GHG emissions in 10 years (150t)
- Units*(30t)
- Country B buys and uses
- Offsetting (corresponding adjustment)
- Adjusted GHG emissions in 10 years (120 t)
- Subtract 30 t

**Country A (Transferring Party)**

- Actual GHG emissions in 10 years (100t)
- Country A sells
- No corresponding adjustment

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)
Double counting will mislead the global goal

Some people may say International Trick for Meeting Objectives (ITMOs). More serious thing is no one will use international markets, and there will be no business.
Double counting will be avoided by corresponding adjustment of emissions

**Country B** (Acquiring Party)
- Subtract 30 t

**Country A** (Transferring Party)
- Add on 30 t

**Actual GHG emissions in 10 years**
- Country A: 100 t
- Country B: 150 t

**Adjusted GHG emissions in 10 years**
- Country A: 130 t
- Country B: 120 t

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)
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

Country A (Transferring Party)
- Actual GHG emissions in 2030
- Country A sells
- Corresponding adjustment

Country B (Acquiring Party)
- Actual GHG emissions in 2030
- Country B buys and uses
- Corresponding adjustment
- Adjusted GHG emissions in year 2030 (DDD t)

Option 2: Average
- 10 year average

Possible accounting rules for use of units for a single-year target 2
What kind of Information are available in the CDM?

http://cdm.unfccc.int/Statistics/Public/files/Database%20for%20PAs%20and%20PoAs.xlsx
Which information is publically **NOT** available in the CDM?

- In which year emission reductions occurred
- When and how much CERs are forwarded
- When and how much CERs are used
- Country A adjust its emissions
Available Information from serial number of units

CDM credits (CERs)

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<th>Originating Registry</th>
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<th>Applicable Commitment Period</th>
<th>LULUCF Activity</th>
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Excerpt from Technical Specification for Data Exchange,

JCM credits (in Japan)

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Excerpt from JCM Registry System Operation Manual for AH/SAH,
- What are we avoiding to double count?
  - Avoid false assessment of achievement of NDCs by the use of ITMOs
- Is it emissions or ITMOs?
  - Avoiding double registration, double issuance and double use, regarding ITMOs is of course necessary
  - Corresponding adjustment by Parties for emissions covered by their NDCs is the core of avoidance of double counting
- Are they one and the same?
  - “Avoiding double registration, double issuance and double use” and “avoidance of double claiming” is fundamentally different. The former was operational under the KP, the latter is new arrangement under the PA.
What information is needed to avoid double counting? -- this question will apply to Art 6.2 & Art 6.4 – is the answer the same, or different, for 6.2 and 6.4?

✓ Amount of ITMOs first internationally transferred and used towards NDCs, country’s names, vintage of ITMOs (when emission reductions occurred)

✓ 6.4 units are ITMOs once internationally transferred.