Double counting in the Paris Agreement

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Important to look at:

- References to double counting in the Paris Agreement and accompanying Decisions
- References to double counting in the Article 6 draft notes
- References to double counting in submissions by Parties
Double counting: Paris Agreement

* **Article 4: NDC and NDC accounting**
  * “Parties shall promote environmental integrity, transparency, accuracy, completeness, comparability and consistency, and **ensure the avoidance of double counting**, in accordance with guidance adopted by the Conference of the Parties serving as the meeting of the Parties to this Agreement.”

* **Article 6: Cooperative approaches (6.2)**
  * Where engaging in cooperative approaches Parties should [...] “shall apply robust accounting to ensure, inter alia, **the avoidance of double counting**, consistent with guidance adopted by the Conference of the Parties”
Provisions to ensure that double counting is avoided need to be developed for:

- **Article 6.2 Guidance** “to ensure that double counting is avoided on the basis of a corresponding adjustment”

- **Article 6.4 Rules, Modalities and Procedures** need to avoid double counting
References to Double Counting are found in:

1. **Principles and Purpose:** Parties engaging in 6.2 should “ensure the avoidance of double counting”

2. **Definitions:** “Double counting”, as per Article 6, paragraph 2, means double claiming, double issuance, double registration or/and double use

* Attempts to provide definitions of:
  * Double claiming
  * Double issuance
  * Double registration
  * Double use
Double Counting: Article 6.2 draft note

References to Double Counting are found in:

3. **Infrastructure**: ensuring the avoidance of double counting is a proposed requirement for country registries

4. **Uses for purposes other than towards achievement of nationally determined contributions**:
   * Not particularly defined (re: double counting):
     * Non-NDC uses of ITMOs: yes/no
     * Corresponding adjustments needed: yes/only if from within NDCs
   * ‘further development may be required for implementation, for example, reference to double counting’
Double Counting: Article 6.4 draft note

References to Double Counting are found in:

* **Uses for purposes other than towards achievement of nationally determined contributions:**

* An A6.4ER not to be used towards achievement of an NDC where it has been or is intended to be used {potential list below}:
  * (a) Towards international mitigation action outside the UNFCCC;
  * (b) Towards voluntary climate actions that are not mandatory in the relevant jurisdiction;
  * (c) As a means of demonstrating climate finance provided pursuant to Article 9.
Uses for purposes other than towards achievement of nationally determined contributions:

- Not particularly defined (re: double counting):
  - Non-NDC uses of Art6.4 ER: yes/no
  - Corresponding adjustments needed: yes/only if from within NDCs

‘further development may be required for implementation, for example, reference to double counting’
Parties perspectives

* Several Parties address double counting in their submissions on Article 6:
  * Australia, Brazil, Canada, Chile (on behalf of Chile, Colombia, Costa Rica, Guatemala, and Peru), LDCs, EU, Japan, Korea, AOSIS, AGN, New Zealand, Norway, Papua New Guinea, AILAC, Russia, South Africa, EIG, Thailand

* Most recurrent themes:
  * Corresponding adjustments (also for non-NDC uses) are key
  * Propose that all Parties should have national registries (linked with ITL)
  * Important to ensure no DC of ITMOs for non-NDC uses (CORSIA)
  * Need close coordination between UNFCCC and ICAO
  * International governing body to ensure no DC in use of ITMOs (LDCs)
  * No use of ITMOs for CORSIA (AGN)
  * Create ISO-UNFCCC certified units (PNG)
"Parties shall ensure environmental integrity, inter alia, by measures to avoid double counting, which include:

- The quantification of NDCs through the reporting process,
- The quantification of an accounting balance based on actual emissions through the reporting process,
- The adjustment of the accounting balance in accordance with guidance on accounting and corresponding adjustment provisions,
- A centralised review and recording prior to recording and updating of information in the accounting database,
- The use of a registry system subject to common rules (either through a single centralised registry, or multiple registries operating as a system)."
In the context of Article 6.4, the EU submission notes, “Emission reductions verified and certified under Article 6(4) should be subject to a corresponding adjustment if they are internationally transferred and used towards NDCs, ICAO or any other offset scheme obligations.”
Parties should avoid double counting of ITMOs by:

- ensuring the cooperative approaches they engage have environmental integrity
- in deciding to use particular ITMOs, taking into account:
  - their own and Host Party NDC target types,
  - whether an ITMO arises from an activity or category covered by the NDCs,
  - whether it is generated during the Host’s NDC timeframes, and
- only counting towards the achievement of their NDCs ITMOs that are in accordance with guidance developed under 1/CP.21 paragraph 36
- making a corresponding adjustment as set out in the guidance.
“double usage: multiple Parties or entities use the same outcome for different purposes, including [...] where an ITMO used towards an NDC is also used in some other arrangement (eg CORSIA)”
From a legal perspective, in accordance with Decision 1/CP.21 and with Article 6 of the Paris Agreement, the corresponding adjustment to avoid double counting is restricted only to the guidance referred to in Article 6.2. It does not apply to the rules, modalities and procedures for the mechanism established by Article 6.4.

Environmental integrity concerns related to “double counting” do not apply to the dynamic of the 6.4 mechanism. This is because Article 6.5 prevents “double counting” by not allowing SDM CERs to be used by the host country if used by another Party to demonstrate achievement of its own NDC.
Thank you!
Double claiming

“Double claiming” is any of the following: {potential further list below}

* The use by more than one Party of an ITMO/mitigation outcome towards achievement of its NDC;
* The use by one Party of an ITMO towards achievement of its NDC and the use by the same, or another, Party of the same ITMO/mitigation outcome for a purpose other than towards achievement of its NDC;
* The use by one Party of an ITMO towards achievement of its NDC, or the claim of a mitigation outcome through the GHG inventory by the Party where the mitigation outcome occurs, and the use by the same, or another, Party or any stakeholder of the same ITMO/mitigation outcome for a purpose other than towards achievement of its NDC.
“Double issuance” is the issuance, by a Party, in the same or different metrics of two or more ITMOs for the same mitigation outcome;
Double registration

“Double registration” means that the same activity and/or ITMO/mitigation outcome is registered or equivalent under two or more cooperative approaches/non-UNFCCC or other programmes/the mechanism established in Article 6, paragraph 4;
“Double use” is any of the following: {potential further list below}:

* The use by one Party of an ITMO towards achievement of its NDC more than once;
* The use by one Party of an ITMO towards achievement of its NDC and the use by the same or another Party of that ITMO for a purpose other than towards achievement of its NDC;
* The use by one Party of an ITMO towards achievement of its NDC, or the use of a mitigation outcome through the GHG inventory by the Party where the mitigation outcome occurs, and the use by the same Party, or another Party or any stakeholder of the same ITMO/mitigation outcome for a purpose other than towards achievement of its NDC.