

Avoiding Double Counting

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Some key concepts of For NDC Accounting - Article 6

International cooperation under Article 6

Article 6.2 recognizes that Internationally transferred mitigation outcomes (ITMOs) may count towards NDC achievement

Article 6.3 – The use of ITMOs to achieve NDCs must be authorized by participating Parties

Article 6.4 mechanism, governed under the UNFCCC (e.g. CDM)

Decision 1/CP.21 Double Counting is avoided on the basis of a **Corresponding Adjustment**

Article 6 rules set through the Paris rulebook



How complicated is avoiding double counting?

ITMOs ... all things to all people

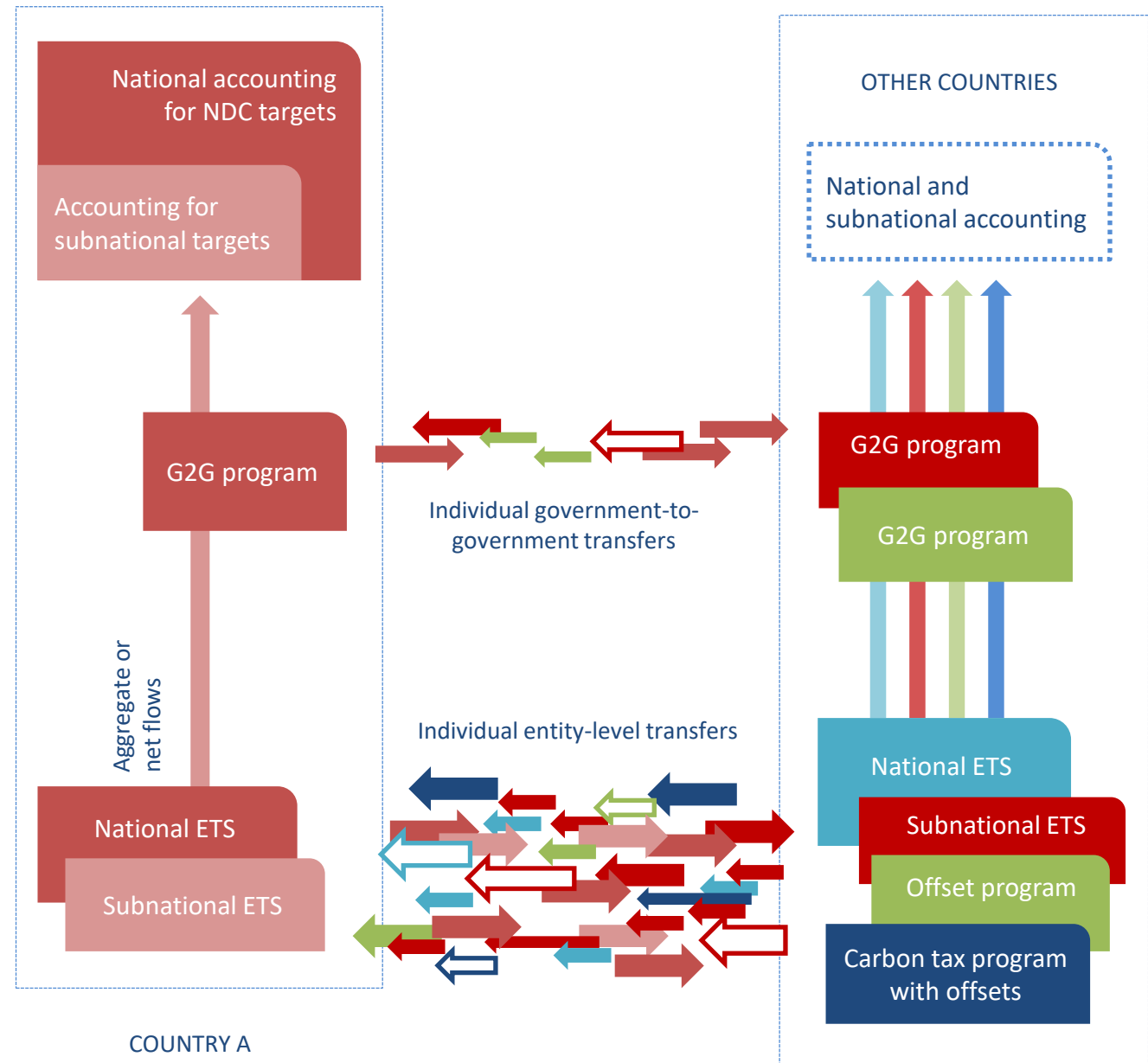
- Individual transfers
- Aggregate quantities
- Net flows
- Entity or national level

Corresponding Adjustments

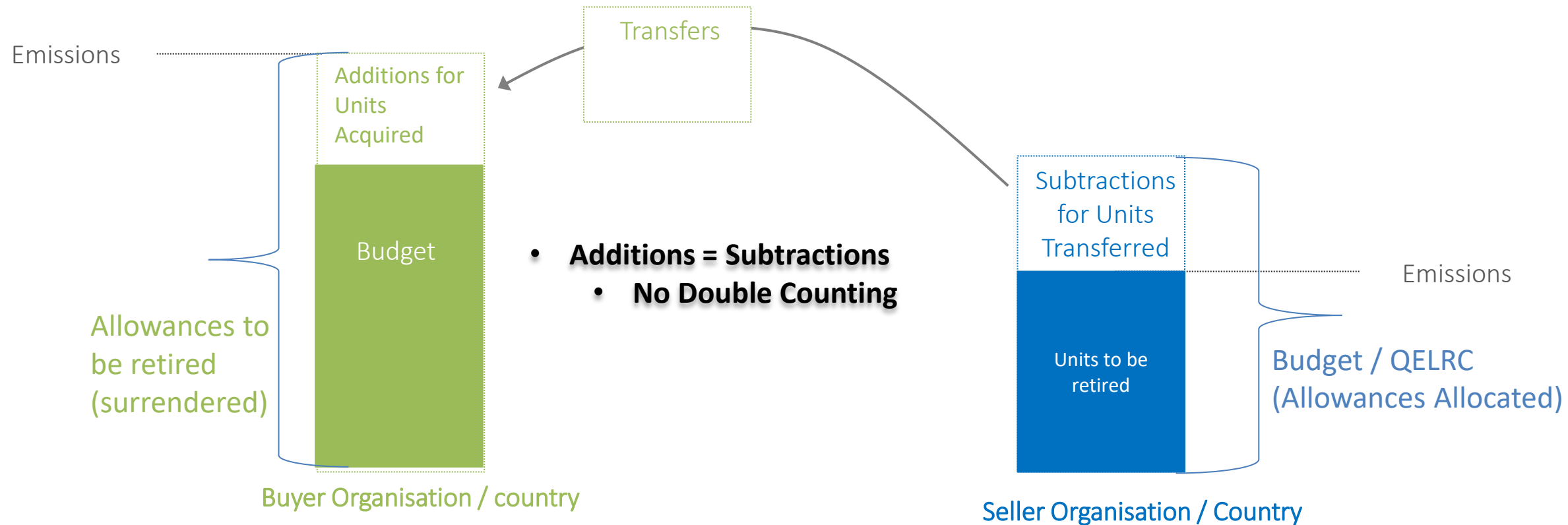
- When/How/What?

Accounting

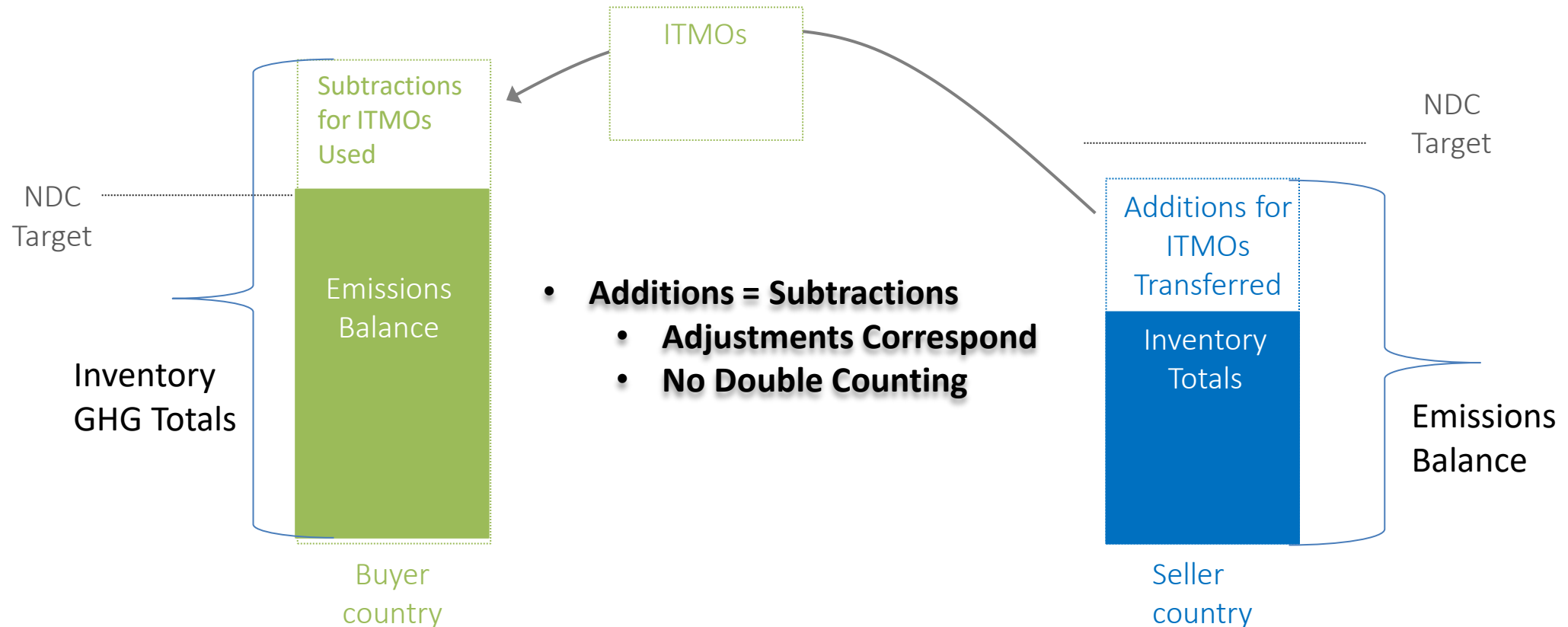
- For NDCs
- For domestic ETS
- For linked ETS
- For international offsets



Transfers in an ETS – The Basics of Budget Based Accounting



Transfers between NDCs – The Basics for Emissions Based Accounting



When Do Domestic And International Systems Interact

- When credits or units (ITMOs) are transferred internationally and used towards an NDC
 - When Credits or Units authorized by another country are used towards an NDC
 - When credits or units generated in one country are authorized by that country for use towards another country's NDC
- When credits or units (ITMOs) are authorized for use by an airline for CORSIA
- Extra Complexity (not covered here)
 - Voluntary credits (how and whether corresponding adjustments apply)
 - Single year NDCs and multiyear domestic systems
 - Credits generated inside / outside the scope of the NDC
 - ITMOs and NDCs quantified in non-GHG metrics (e.g. kWh)



Key Takeaways

- Avoiding double counting is robust accounting
- Double counting is avoided on the basis of additions and subtractions that correspond. In PA, these are called corresponding adjustments.
- Corresponding does not always mean equal.
- Authorisation is key for international accounting.
- Domestic accounting and international accounting are coherent and should be designed to be consistent with each other.



- Spare Slides



Point Target vs Multi-Year

Some NDCs set targets for a whole period (eg 2021-2030), but most NDCs set targets for only a single year (eg 2030)

Key tools for achieving this

- Account for full period on basis of an emission trajectory or budget
- Account only for 2030, but using average transactions from full period
- Account for all transfer and use throughout the implementation period

