

# 17th IEA-IETA-EPRI Annual Workshop on Greenhouse Gas Emission Trading

Major issues under discussion with regard to  
co-operative approaches under Article 6.2

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# Avoidance of double counting in the PA

## Article 6.2 of the Paris Agreement

Parties shall, where engaging on a voluntary basis in cooperative approaches that involve the use of ITMOs towards NDCs, promote sustainable development and ensure environmental integrity 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.

## Article 4.13 of the Paris Agreement

Parties shall account for their NDCs. In accounting for anthropogenic emissions and removals corresponding to their NDCs, 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 CNA.

## Avoidance of double counting in COP21 decision

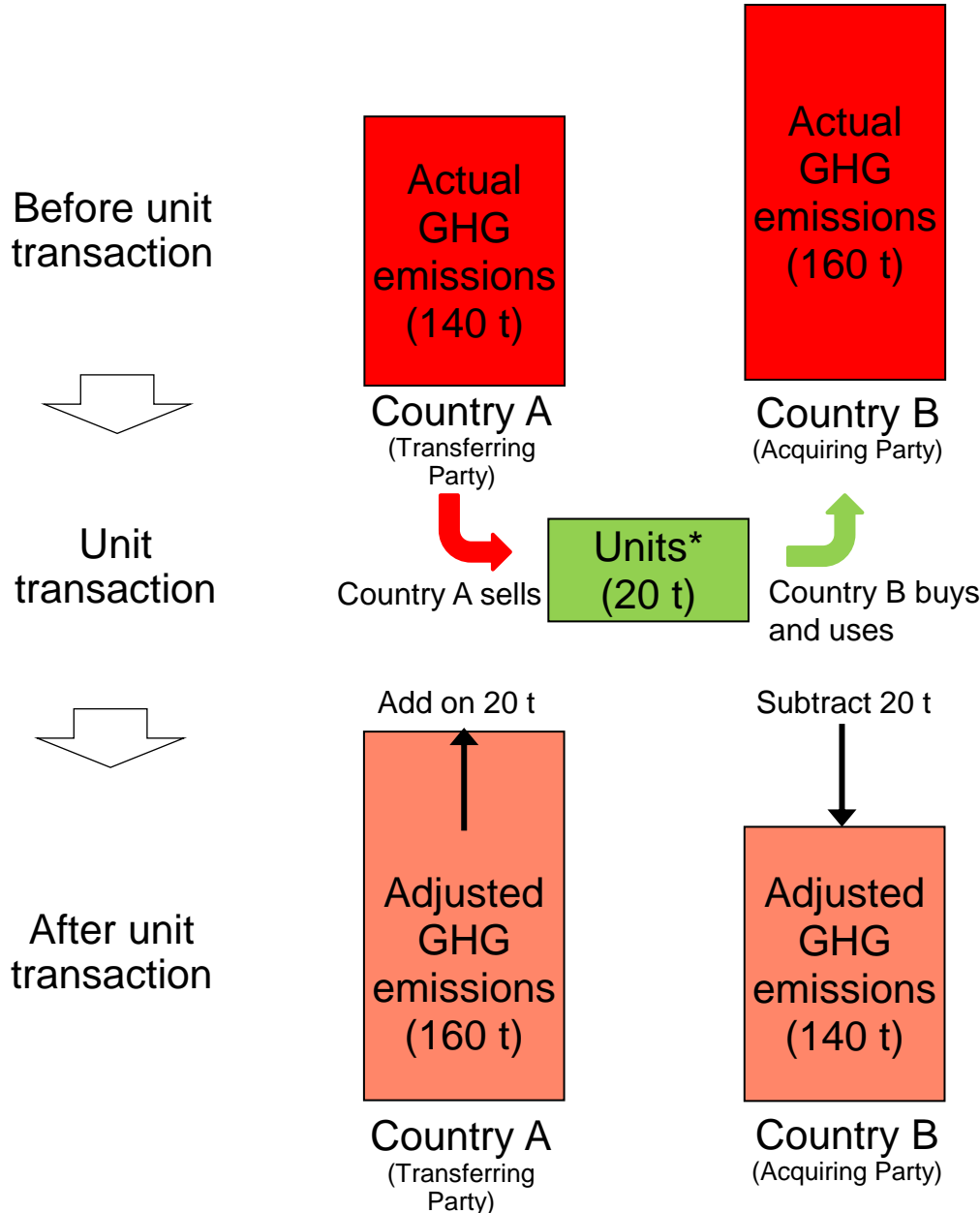
36. *Requests* the SBSTA to develop and recommend the guidance referred to under Article 6, paragraph 2, of the PA for consideration and adoption by the CMA at its first session, including guidance to ensure that **double counting is avoided** on the basis of a **corresponding adjustment by Parties for 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**;

\* an enhanced transparency framework for action and support

# Basic arrangements for avoidance of double counting



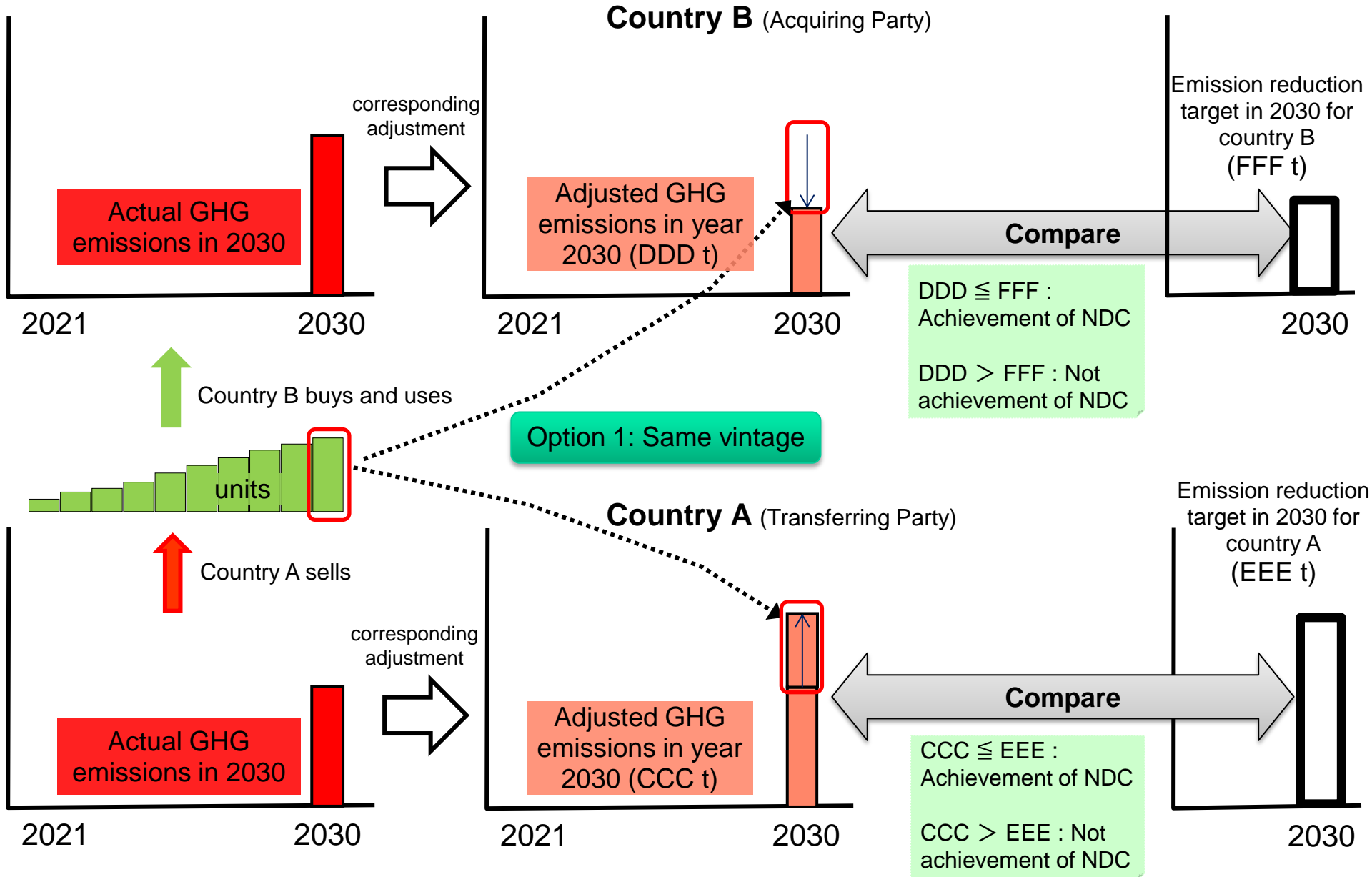
*Sum of actual emissions from country A and B = 300 t*

\* Units means, in this document, internationally transferred mitigation outcomes (ITMOs), including emission reductions resulting from the mechanism referred to in Article 6.4.

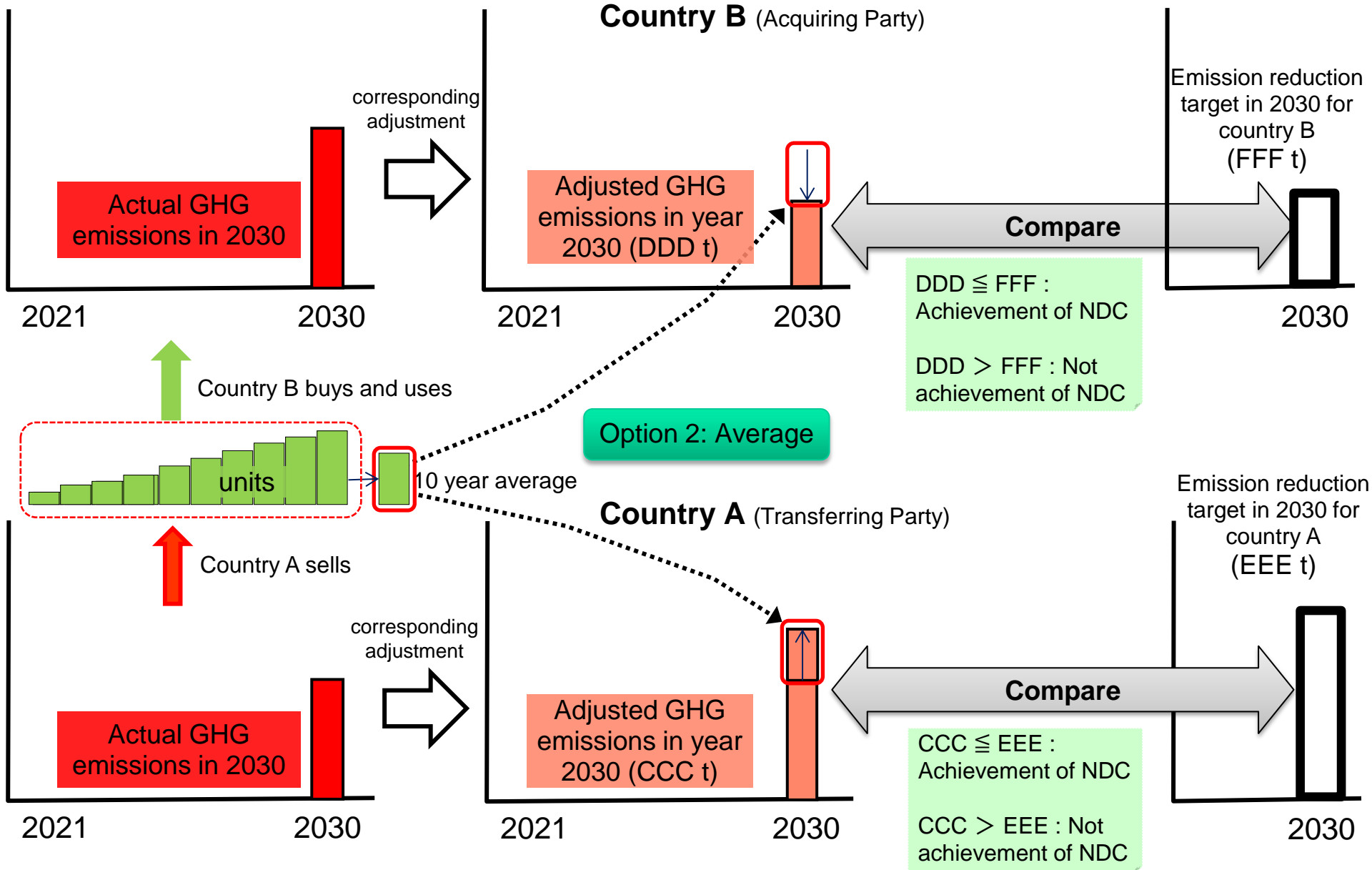
*Sum of adjusted emissions from country A and B = 300 t (which is the same value with actual emissions and there is no double counting)*

Each country will compare its adjusted emissions and emission reduction target specified in its NDC in assessing achievement of its NDC.

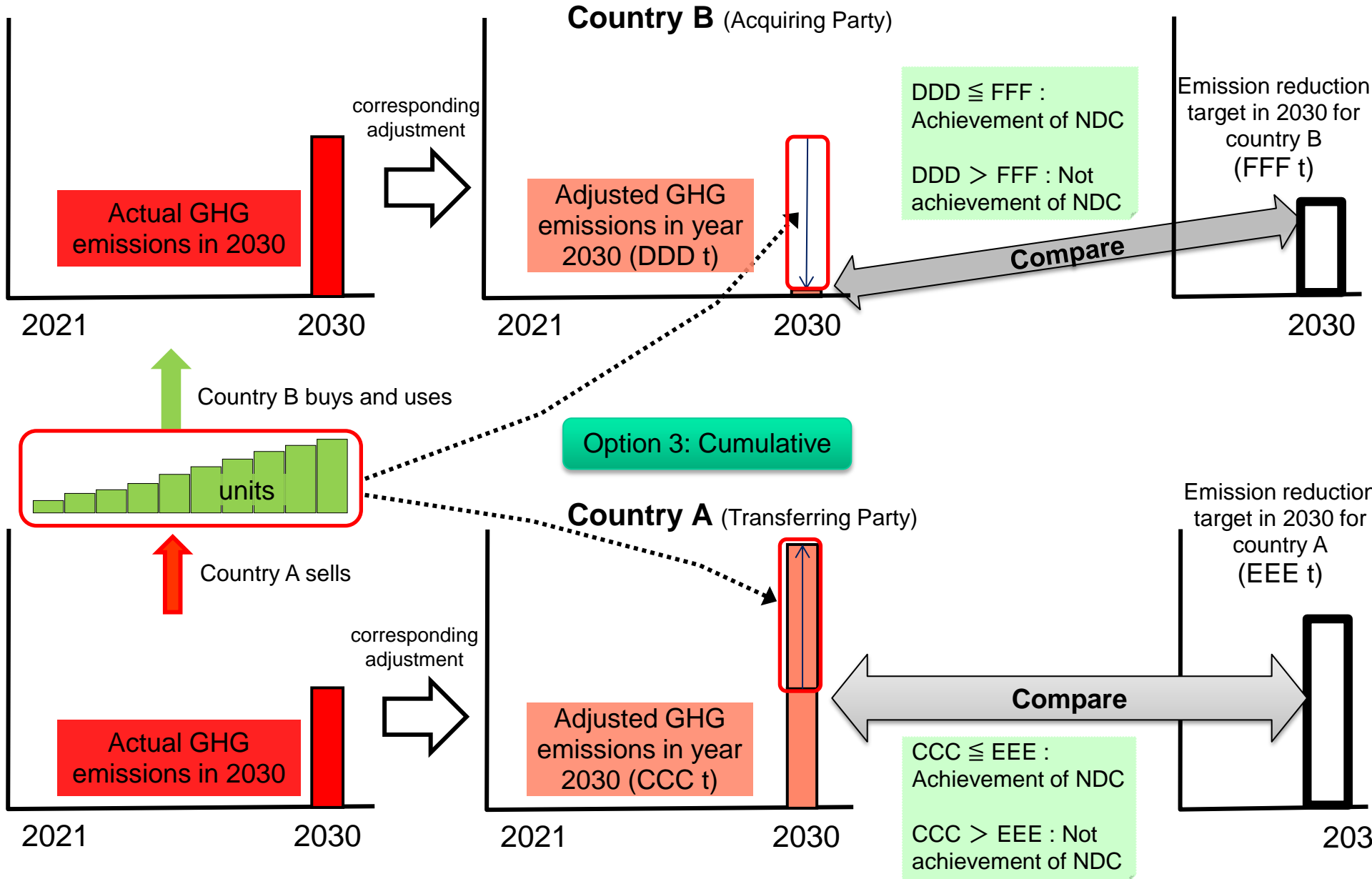
# Accounting rules for use of units for a single-year target



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# Some Conclusions

- ✓ **Avoidance of double counting** is the core element of accounting for use of units by international market-based mechanisms.
- ✓ **If double counting is not avoided**, international market-based mechanisms will cause **increase of global GHG emissions** which completely contradicts with the Paris Agreement.
- ✓ Units trading itself will not reduce global GHG emissions.
- ✓ **The schemes** themselves, such as “cap & trade” and “crediting system” **should be designed to reduce** overall emissions.
  - In case of crediting system, it should give credits only part of “emission reductions” and promote spillover effect of low-carbon technologies.
  - Transferring Parties may not sell units at cheap price since they have to adjust (increase) their emissions to be reported.



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