

MRV and International GHG Accounting

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MRV and International GHG accounting

LESSONS FROM
FINANCIAL ACCOUNTING

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Lessons from financial accounting

There is no single 'right' answer - need for principles, standards & rules

- Basic accounting concepts:
 - Going concern
 - Accruals concept
 - Consistency
 - Prudence
- Principles vs rules
- Different users see the world differently and have different needs
- Disclosure matters as much as accounting
- Credibility of data is critical
- Don't let the tail wag the dog

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BUILDING TRUST IN
MRV OF EMISSIONS

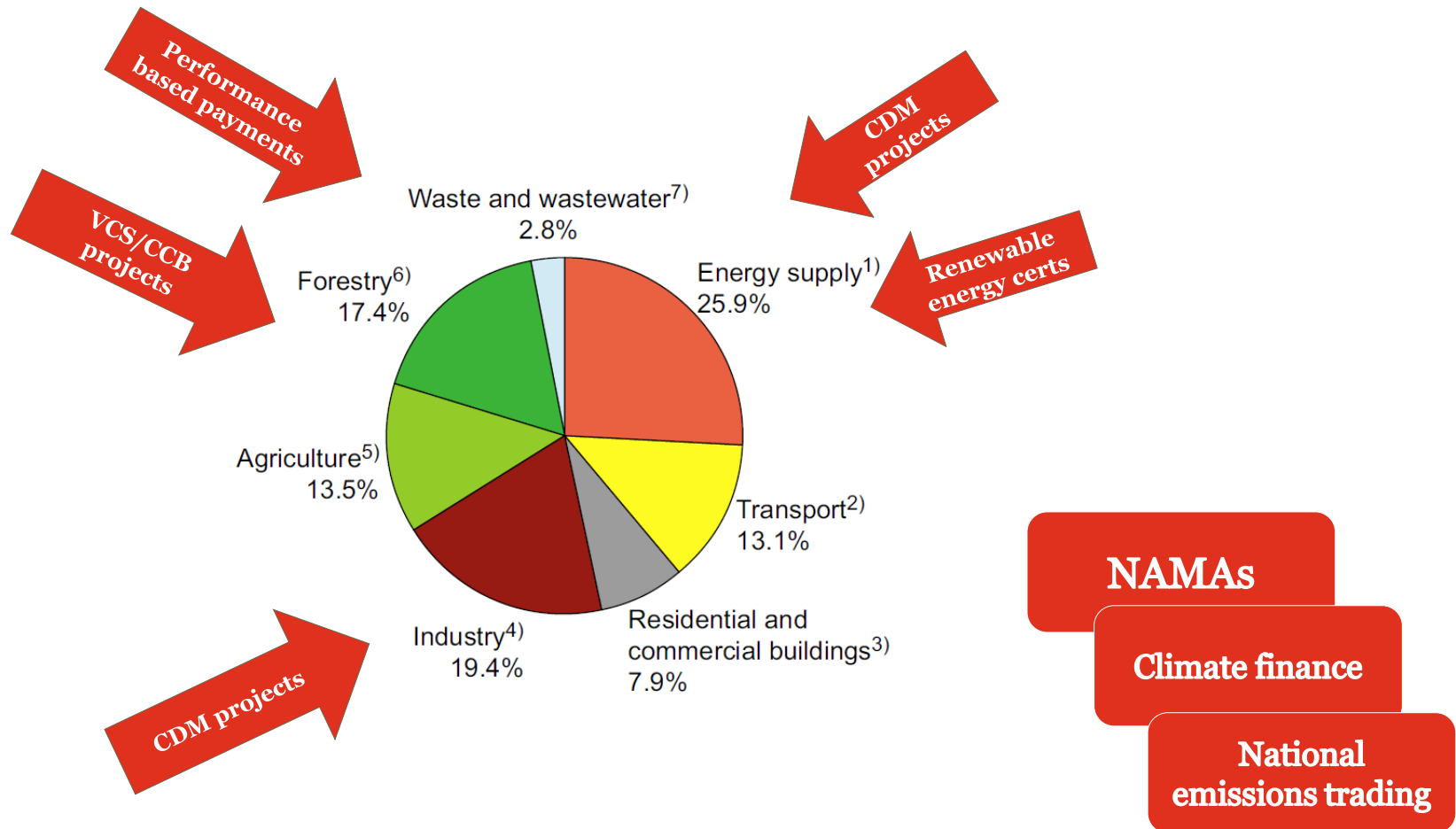
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GHG accounting is getting a lot more complicated

MRV approaches need to be tailored, but within a coherent framework

- International
 - Kyoto flexible mechanisms
 - NAMAs (funded or unilateral)
 - REDD+
 - Climate finance
- National
 - Emissions trading programmes
 - Other policies: energy efficiency & renewable energy targets
- Corporate
 - GHG protocol
 - Management and financial accounting

In an ideal world, the rules of the game should have been agreed before we started playing



There are particular technical challenges for MRV of REDD+

Risk of delay and disagreement on more fundamental policy issues

- Technical challenges – biocarbon, soil carbon
- Cost and accuracy of MRV: satellite imagery vs ground truthing
- National vs sub national baselines
- Setting reference levels for deforestation
- Leakage

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BUILDING TRUST IN
MRV OF CLIMATE FINANCE

3

Financing

Bona fide concerns about when, where and how money is spent

- Speed and quantum of climate finance
- Is it additional to ODA?
- Donor objectives – multiple dimensions of green growth – and value for money concerns
- How is it spent – projects, programs, capacity building
- Tracking the funding flows from donors to projects
- Benefit sharing
- Monitoring and evaluation of outcomes

And finally ...

MRV is essential to measure progress...

but we shouldn't let perfect be the enemy of the good

Thank you

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