



Made to Measure: Options for Emissions Accounting under the UNFCCC

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Overview






- What is an accounting framework?
- Elements of an accounting framework that could be “applicable to all” Parties
- Two important accounting issues: land-use emissions/removals and transfers of units
- Focusing on land-use sector accounting options (discussion of unit transfers to follow this afternoon)

What is an accounting framework?

- **Emissions accounting** goes beyond **reporting**
- **Reporting**: provide information on countries' individual targets/goals and information on progress
- **Accounting framework**: provide a basis to understand total global impact of targets/goals, and to compare countries' targets/goals (including any overlaps)



What can an accounting framework help to achieve?

An accounting framework CAN help to...	An accounting framework CANNOT help to...
 Enhance reporting provisions to understand progress towards targets/goals	 Increase or safeguard mitigation ambition
 Facilitate use of international market mechanisms, supported by tracking systems	 Define legal nature of targets/goals, or impose compliance or sanctions
 Influence participation in a multilateral agreement	

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What already exists for reporting & accounting in the UNFCCC?

We already have:

- **Targets and goals** (“pledges”) put forward by many Parties for 2020, albeit with different formats and scope
- Differentiated **reporting requirements**, including biennial reports and biennial update reports, with information of targets/goals and progress towards them
- Detailed **inventory reporting** based on IPCC guidelines

- **Kyoto Protocol** “carbon budget” accounting framework for some developed countries

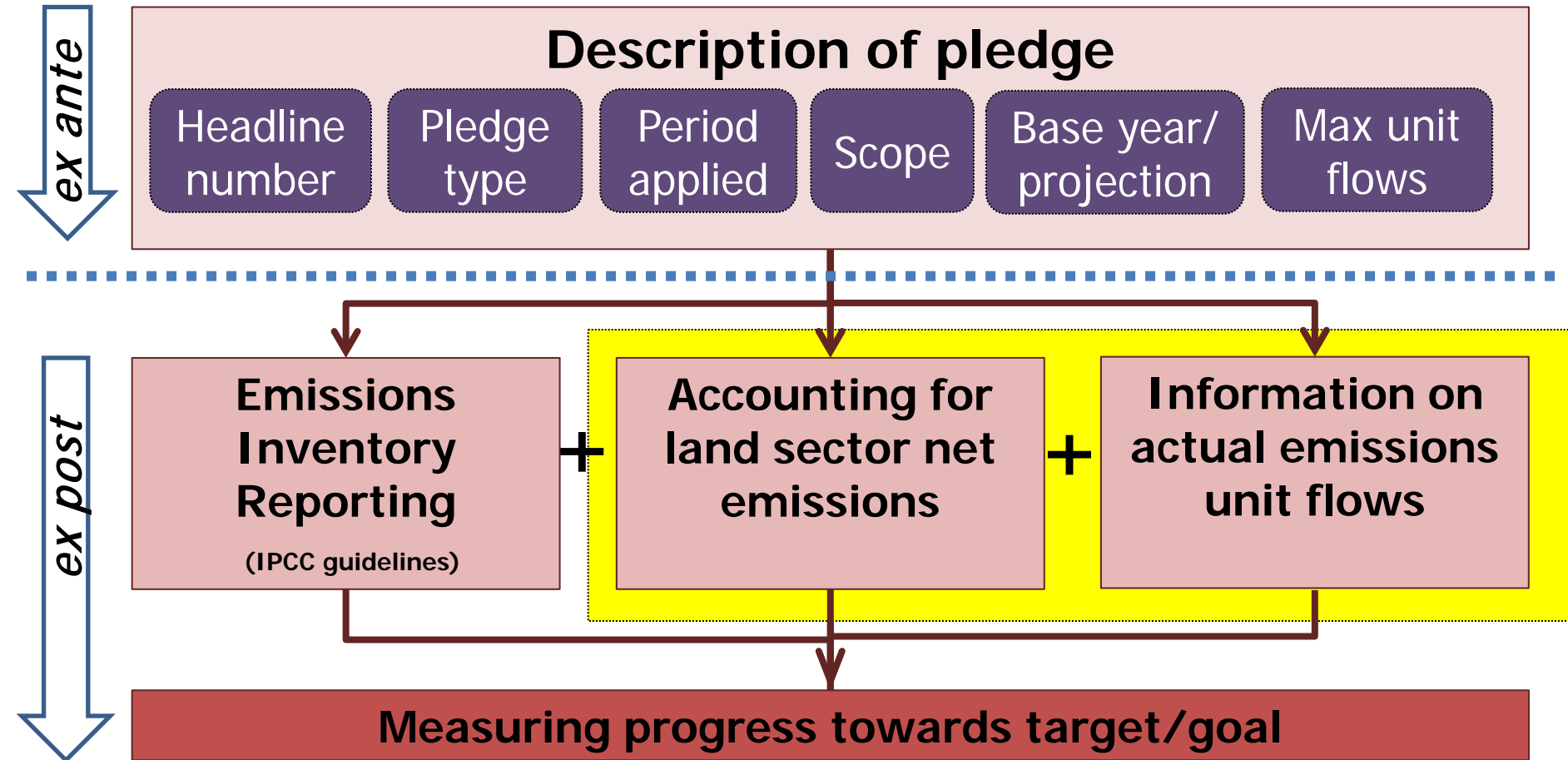
The Kyoto Protocol accounting framework

Carbon budget calculated *ex ante* and applied to each year in a period, with:

- **Rules** for target type, coverage, scope and period of application
- **Rules** for trading and use of UNFCCC-governed mechanisms
- **Rules** for accounting for land-use emissions and removals

- **Principle of near-universal fungibility:** between gases and sectors, including land-use emissions and removals

Elements of an accounting framework for diverse pledge types



A parallel universe: land-use sector accounting

- Particular issues with land-use sector
 - ◆ Distinction between man-made and natural variation in carbon stocks
 - ◆ Time dimension
 - ◆ Central role of land use
- Two major accounting approaches to date:
 - ◆ **Activity-based:** evolution from Kyoto 1 to Kyoto 2
 - Main criticism: pick-and-choose, too flexible
 - ◆ **Land-based:** based on Convention and IPCC categorisation
 - Main criticism: too difficult, expensive, especially if aimed at covering lands which may be marginal to developments in each country

Convergence on baseline approaches

- Approaches to baseline
 - ◆ “Net-net”
 - ◆ “Gross-net”
 - ◆ Forward-looking baselines
- Convergence along the concept of reference levels (forward looking baselines) if credible data to back up assumptions –
 - ◆ Use in forest management
 - ◆ Investigating use in REDD
 - ◆ Proposed under voluntary crediting schemes

Options for moving forward on land-use accounting

- Adopt land-based approach (LBA) (see eg WRI mitigation goal protocol proposal) and reference IPCC
- Build on KP activity-based approach (ABA)
- Build threshold criteria for sufficient coverage by pledge of land use sector, regardless of LBA or ABA

Questions for discussion...

- **Handling diverse pledges:** What information do we need about pledges to understand and account for mitigation effort?
- **Land-use emissions/removals:** What elements of KP accounting and UNFCCC reporting can best be used to inform a new accounting framework?
- **Maximising participation:** Is the KP approach of universal fungibility between gases and sectors (including land-use emissions/removals) appropriate for a new accounting framework?
- **Unit transfers...**this afternoon's discussion

Thank you



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