



# Introduction to NDC Accounting

Webinar Series “NDC Accounting”:  
Webinar 1: NDC Accounting: How to frame it?

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*“Accounting rules for the achievement of the mitigation goals  
of non-Annex 1 countries”*

May 31, 2017



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# 1

# Understanding Accounting



## Key elements of the Paris Agreement

**1** Keep the  
global  
temperature  
increase  
below 2°C by the  
end of this  
century.



Every 5 years,  
countries review and  
enhance their  
National  
Contributions  
(NDCs).

**2**

**3** Collective  
mobilization of USD  
100 billion of  
climate finance by  
developed  
countries for  
developing  
countries.



Mechanism for  
accounting of NDC.



**4**

Adaptation  
action to mitigate  
the adverse  
impacts of climate  
change.



**5**



## Accounting under the PA

3 paragraphs/ articles on: i) Elaboration of accounting guidance, ii) Link accounting to the global temperature goal, iii) Entry of accounting information in ETF

- Decision 1/CP.21, paragraph 31 (*Elaboration of guidance ensuring that*):
  - Parties account for anthropogenic emissions and removals corr. to the NDC in accordance with methodologies and common metrics assessed by the IPCC and adopted by the CMA
  - Methodological consistency, including on **baselines**, between the communication and implementation of NDC
  - Strive to include all categories of anthropogenic emissions or removals, and once a source, sink or activity is included, continue to include it
  - Explanation why categories are excluded



## Accounting under the PA (2)

- Article 4 (*Link accounting to the global temperature goal*):
  - ❑ Para 13: Parties shall account for their NDC. In accounting for anthropogenic emissions and removals corresponding to their NDC, Parties shall promote accounting principles
  - ❑ Para 14: “When recognizing and implementing mitigation actions w.r.t. anthropogenic emissions and removals, Parties should take into account, as appropriate, existing methods and guidance under the Convention, in the light of the provisions of para 13.”
- Article 13 (*Entry of accounting information in the ETF*):
  - ❑ Para 7: “(...) information necessary to track progress made in implementing and achieving its NDC under Article 4”



## NDC Accounting: Key takeaways

### Accounting...

- ➔ ...is about progress towards NDC achievement (linking to the global temperature goal)
- ➔ ...is relevant to climate change mitigation only
- ➔ ...is about GHG emissions and removals (not other “contributions” of the NDC)
- ➔ ...applies to all NDCs (from the 2<sup>nd</sup> NDC onward; para 32, 1/CP.21)



# 2

# Linkage to Transparency





PA | Country 1 - ...186 | Country x

2100

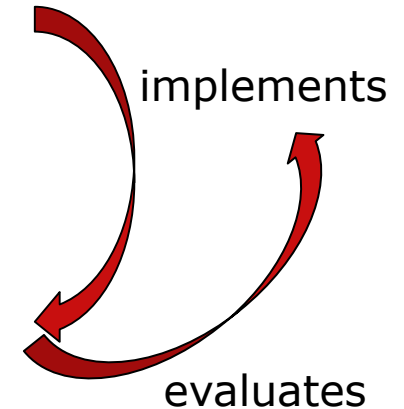
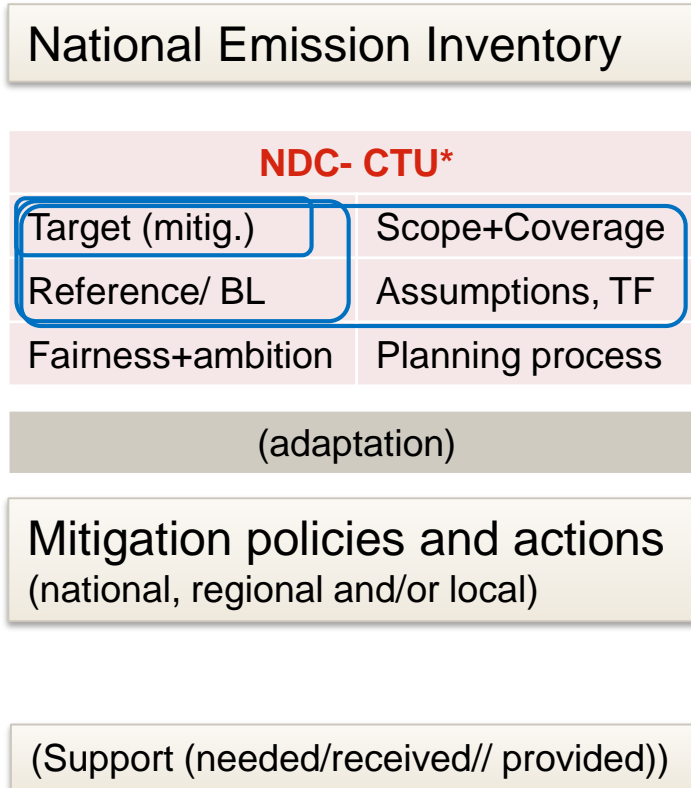
<2°C (Art.2)

IPCC

Global Stocktake + Ambition

2023  
Every 5 yrs

LEDS





## Transparency and Accounting in the PA- vs. MRV

### Transparency

ETF

- CTU of climate action and support (for global stocktake) (mitigation & adaptation)
- Build on MRV system incl. ICA/ IAR
- Applicable to all (w/ certain flexibility)

### MRV

“data, structure”

- Since 2001; MRV system for NAI since 2010/11 (eventually superseded by ETF)
- M + R + V
- Applicable to different levels of action

### Accounting

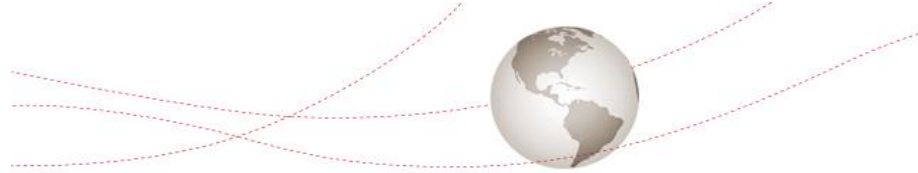
“target”

- Account GHG emissions and removals for NDC mitigation objective
- Cooperative approaches (“*avoid double counting*”)
- Agreed principles; same guidance for all



# 3

# The “Accounting Rules” - Project



Until January 2018, the project “support counterparts in the development of accounting rules applying common principles allowing the communication of NDC progress based on an accounting tool”.

## Technical Partner:



## Sharing of results:

**Publications:** Starting points for NDC Accounting, GPA of MRVA, Inventoriability of Mitigation Actions, AFOLU Accounting Guide, General Accounting Guide, tool, ...

**Events:** Side-Events, (contribute to) regional events

## Project counterparts:





# Research Areas

## NDC Accounting (1)

- Target** One or several targets?  
Unambiguously?
- TimeFr** Intermediate targets?
- Baseline** Sensitivity of variables? Static or  
dynamic? In/Excluded PaM?
- AFOLU** Method? Wood products etc.

## Integration w/ existing instruments(3)

- Inventory** Capturing mitigation actions?  
Reflection as single action?
- MRV** Interaction with/ distinction from  
MRV or emission registry,  
institutional structure, sectors,  
alignment (common database)
- other  
CC info** Alignment/ interaction

## Linkage to CTU (2)

- ETF** Conceptual differentiation of  
transparency, ETF and  
accounting  
  
Limit accounting to the  
'indispensable'

## NDC implementation (4)

- Sectors** Harmonization of sector  
definitions, role of sector targets
- Conditio  
nality** Accounting questions in the  
context of conditional targets



# Thank you!

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