
Accounting under the Paris Agreement

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Development of accounting guidance

Applicability is key for accounting guidance

Tracking of progress is always related to the NDC submitted, thus applicability related to the NDC is a key principle accounting guidance should follow.

Some provisions of the accounting guidance may be relevant to all (or almost all) NDCs, whereas others will be relevant only for certain NDCs:

- For example, guidance related to common inventory methodologies and common metrics as requested to be prepared under paragraph 31 of decision 1/CP.21 would apply to all Parties.
- On the other hand, accounting guidance related to voluntary cooperative approaches under Article 6, would only apply to Parties that participate in such voluntarily cooperation activities.

Development of accounting guidance

Guidance shall draw from existing approaches established under the Convention and the Kyoto Protocol. This could be implemented in different ways:

1. Simple references to existing decisions which would transfer the existing accounting approaches under the Convention and its legal instruments to the Paris Agreement (e.g. related to REDD+)
2. In other areas the existing guidance may need some clarification of how the existing guidance applies under the Paris Agreement. One example is the guidance related to the accounting of natural disturbances under the Kyoto Protocol. It would be useful to clarify how this guidance could be applied based on Convention inventory categories instead of Kyoto Protocol LULUCF activities.
3. In other areas we may transfer concepts, but not the way they were implemented before, e.g. compilation & accounting database as a final overview of the tracking of progress => accounting balance

Accounting balance – purpose & definition

- Accounting balance:
 - structured summary of all relevant quantified components that were determined as being part of the NDC for the relevant target year/ target period
 - Stepwise calculation of individual NDC components
- Purpose:
 - Clarity and transparency of tracking of implementing and achieving progress of individual countries and accounting calculation
 - Assist Parties in reporting on implementing and achieving progress
 - Facilitates aggregation of progress across Parties for GST
 - Facilitates technical expert review

Accounting balance		
Results target year/ period		
A	Total GHG emissions without LULUCF in target year/ period	50 Mt CO ₂ eq
B	+/- net emissions/ removals from LULUCF balance in target year/ period, if applicable (separate balance)	- 20 Mt CO ₂ eq.
C	ITMOs adjustments (+ transfers, - acquisitions), if applicable, example transfer to other country,	+ 30 Mt CO ₂ eq
D	Total accountable net emissions in target year/ period	60 Mt CO ₂ eq
Target level		
E.1	Base year emissions – 30%	70 Mt CO ₂ eq
E.2	BAU emission level – 30%	70 Mt CO ₂ eq
E.3	Intensity target: Base year intensity - 20% GDP in target year/ period Target intensity Achieved intensity: total accountable net emissions/ GDP value in target year/ period	EUR X bln 70 Mt CO ₂ eq/ € X bln 60 Mt CO ₂ eq/ € X bln
F	Accounting result	-10 Mt CO ₂ eq below target -10 Mt CO ₂ eq/€ X bln below target intensity

Thank you for your attention!

Do you have any questions?



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