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Double Counting: how can we fix the loopholes?

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Agenda



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- What is double counting?
- Consequences of double counting:
 - The UNEP gap report
 - Political risks
- The different types of double counting
- How were the loopholes created?
 - “Worlds collide”
 - The “narrow accounting perspective” VS the “holistic perspective” - what does the atmosphere “see”?
- Accounting regime post 2020
- Fixing the loopholes pre 2020

What is double counting?

Definition



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Double counting occurs when an emission reduction effort* is being counted more than once towards the UNFCCC goal of keeping global warming below 2°C.

* Reflected as a quantified and measurable unit, either tradable or non-tradable.

The consequences of double counting

The UNEP 'Gap Report'



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Overall gap to mitigate for a “likely” chance of being on track to stay below 2°C target is 8 to 13 GtCO_{2e} (> 6 to 11 GtCO_{2e} in 2011)

The difference between applying a “lenient” accounting regime and a “strict” accounting regime is **3 GtCO_{2e}**. So for a median of 10.5 GtCO_{2e}, a strict accounting regime can reduce the gap by almost a third!

The report also showed that applying strict accounting rules would have a better effect on the emission gap in 2020 than if countries were to move to the top-end of their pledges.



The consequences of double counting

Political Risks



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What's on risk?

- The credibility of the pre-2020 regime
- International carbon trading (for some countries – an opportunity for cheaper abatement. For others, a source of finance).

• And therefore
opportunities to take more
ambitious action!

**We must take action
against double-counting
NOW**



Types of double counting



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There are few sub-categories or practices of double counting (all have a similar effect of cancelling the impact of an emission reduction effort by counting it more than once):

- Double buying
- Double selling
- Double issuance
- Double claiming

The loopholes

“Worlds collide”



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Kyoto Protocol,
Article 12 (1997)

Marrakesh Accords
(2001)

CDM modalities &
procedures adopted
(2005)



The Copenhagen
Accord (2009)

Non-UNFCCC
mechanisms,
FVA, NMM?

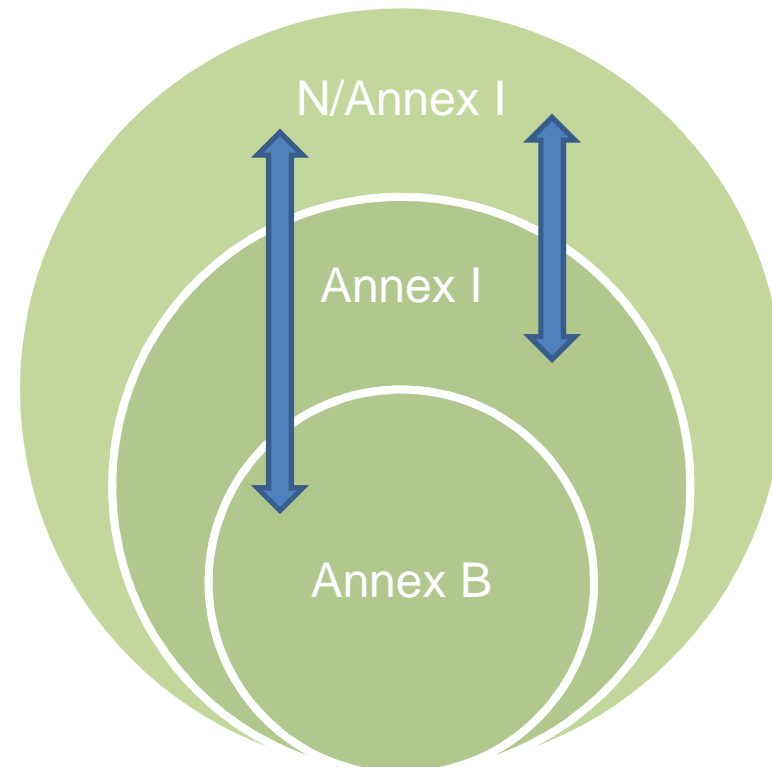
The loopholes



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Narrow VS “holistic” perspective

- The “Narrow” accounting perspective looks at a particular set of rules, and determines whether these rules have been fulfilled, from a particular country’s pledge / target perspective (for example, double counting cannot occur under a narrow Kyoto Protocol perspective, since the Protocol doesn’t consider non-Parties’ pledges for the purpose of accounting)
- The “holistic” accounting perspective addresses the question of “what the atmosphere see” - and considers all activities which are aggregated towards the 2° goal (from this perspective, double counting occurs regardless of the type of target, pledge, or Parties involved)

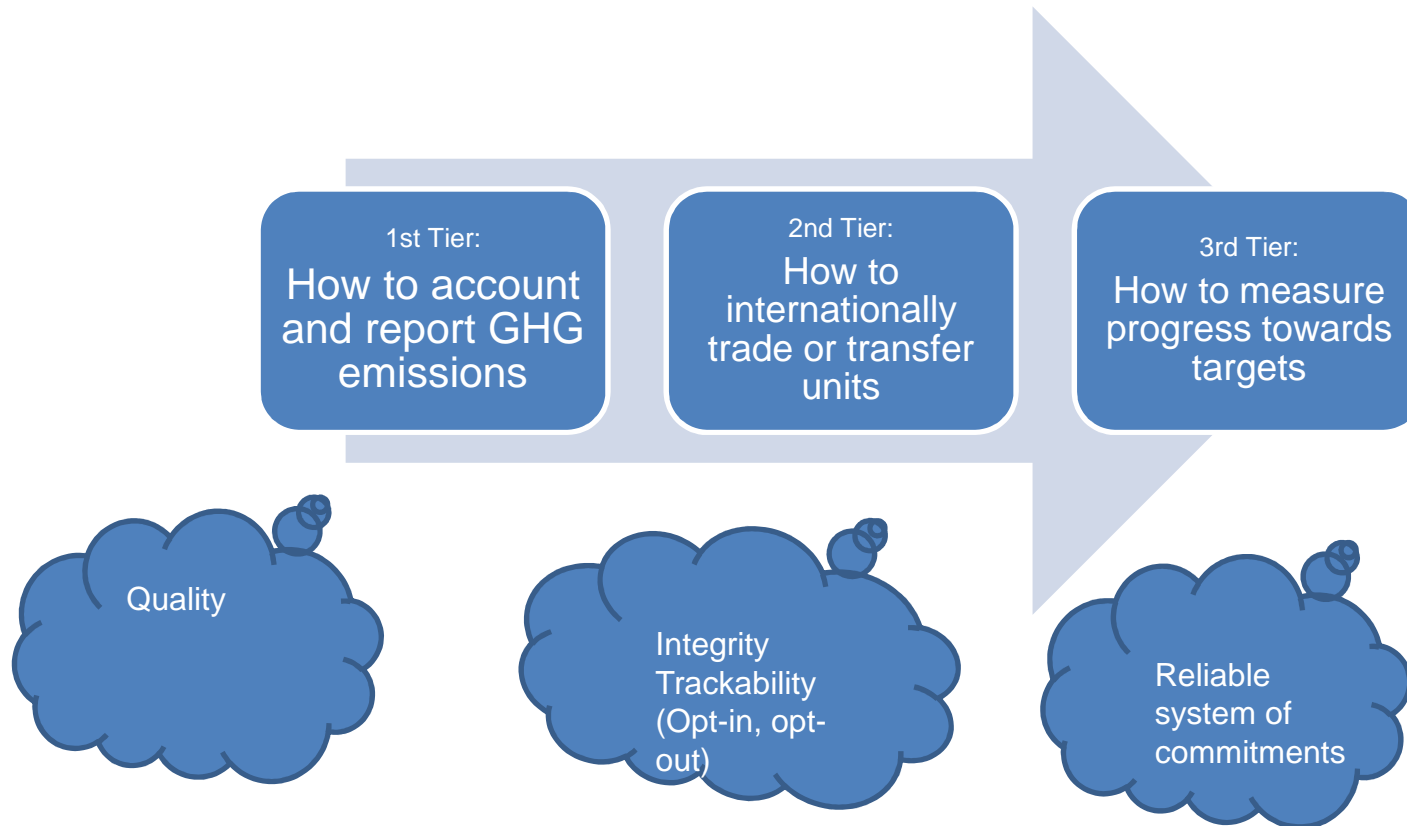


The accounting regime post 2020

How can it address double counting



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Fixing the loopholes

Pre-2020



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Any ideas....?



Fixing the loopholes

Pre-2020



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Discussion: what are the technical and political fixes to double counting in the context of the existing pre-2020 regime?

Options to discuss and explore:

- Prohibition of double counting through non-UNFCCC contractual mechanisms
- Voluntary reporting of net unit flows by non-KP Parties. Is there a space for that in the current reporting framework? (e.g, the BUR guidelines – Paragraph 12 (e) Annex 3, decision 2/CP.17)
- Is there a role for the ICA, and the “facilitative share of views”, and at the same time the IAR and the “multilateral assessment”?
- Convention Joint Implementation Activities
- Is there a possibility of “offsetting” the mitigation gap created by double counting post-2020? How will responsibility be allocated amongst parties?



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Thanks for listening! Any questions?

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