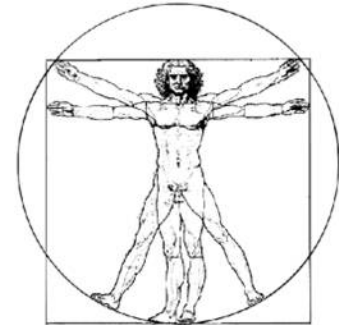


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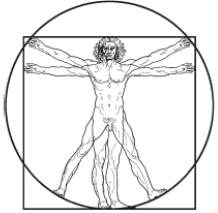
Accounting for mitigation outcomes outside NDCs

A crunch issue in the negotiations of market approaches to cooperation under Article 6 of the Paris Agreement

Benito Müller

Director ecbi

for sustained capacity building in support of international climate change negotiations
pour un renforcement durable des capacités en appui aux négociations internationales sur les changements climatiques



Article 6

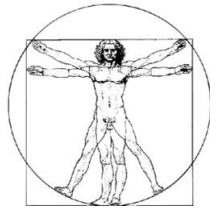
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How to operationalize accounting under Article 6 market mechanisms of the Paris Agreement

Benito Müller & Axel Michaelowa

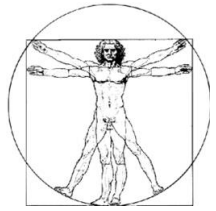
April 2018

Annex II. Excerpts from co-facilitators' summary of the round table

Annex III. Joint proposal by Brazil and the European Union

available at www.ecbi.org

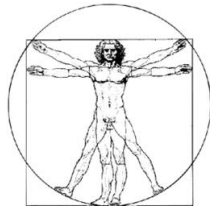
Transferring mitigation outcomes not covered by the NDC



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- Arguments in favour: helps countries in building capacities in sectors if the economy and therefore raise ambition beyond NDC
- Arguments against: accounting for the mitigation outcome is challenging and there is a risk for double counting. Also, a perverse incentive not to expand the scope of the NDC

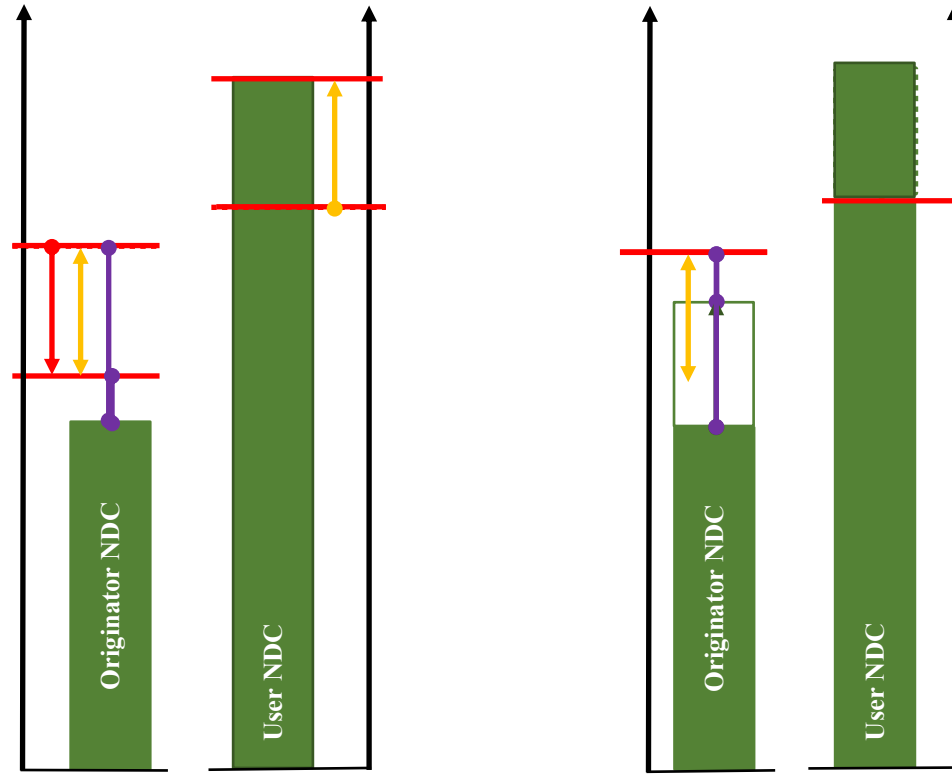
Corresponding Adjustments for NDC ITMOs



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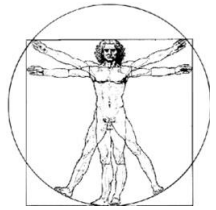
(a) *Target-based approach*

(b) *Tally-based approach*



- Target
- Final Tally
- NDC Total Transferrable Mitigation Outcomes
- ↔ MO to be transferred
- ← ITMO used
- Corresponding Target Adjustment
- Corresponding Tally Adjustment (avoidance of double counting)

Paris, Middle Earth



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Table 1. ITMOs transferred from Rohan and used by Gondor

a. Status Quo Ante

	NDC Quantified Scope			ITMO registry
	<i>Baseline</i>	<i>Target</i>	<i>Final tally</i>	
Rohan	50	40	30	0
Gondor	100	80	90	0
<i>Aggregate</i>	<i>150</i>	<i>120</i>	<i>120</i>	<i>0</i>

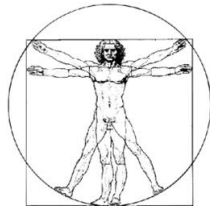
b. Target-based interpretation of 'ITMO use' with corresponding target adjustment

	NDC Quantified Scope			ITMO registry
	Baseline	Target	Final tally	
Rohan	50	30	30	(-10)
Gondor	100	90	90	(+10)
<i>Aggregate</i>	<i>150</i>	<i>120</i>	<i>120</i>	<i>0</i>

c. Tally-based interpretation with corresponding tally adjustment

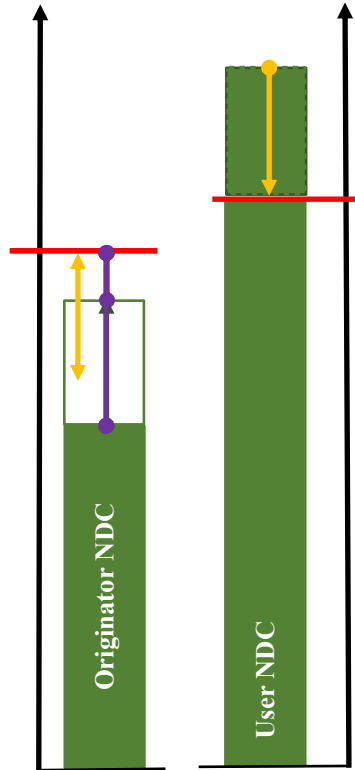
	NDC Quantified Scope			ITMO registry
	<i>Baseline</i>	<i>Target</i>	<i>Final tally</i>	
Rohan	50	40	40	(-10)
Gondor	100	80	80	(+10)
<i>Aggregate</i>	<i>150</i>	<i>120</i>	<i>120</i>	<i>0</i>

Corresponding Adjustments under a tally-based approach (cont.)

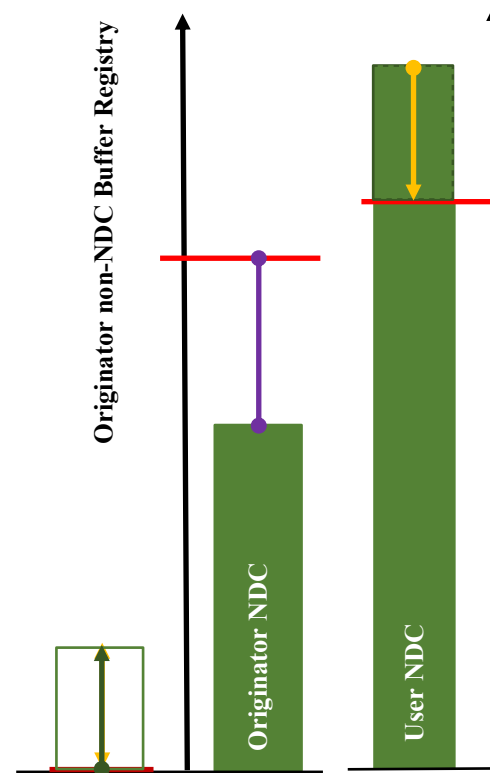


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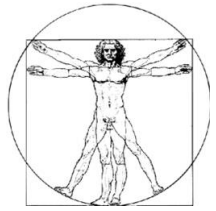
(a) *NDC ITMO*



(b) *non-NDC ITMO*



- Target
- Final Tally
- NDC Total Transferrable Mitigation Outcome
- ↔ MO to be transferred
- ITMO used
- Corresponding Adjustment



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Thank You!