United Nations Framework Convention on Climate Change

Understanding accounting in the new regime

PMR, Hanoi, 17 October 2016
Accounting in the new regime

Several aspects related to accounting under the Paris Agreement:

• GHG inventories: All parties to submit national inventory reports (NIR)

• Tracking progress towards the individual achievement of NDCs

• Tracking progress towards collective 2°C goal

• Accounting of cooperative approaches under Article 6

• Developed countries to report information on support provided and climate finance mobilized
Negotiation process

APA 1 and SB44 in Bonn:

• Unpacking of the Paris Agreement in a constructive mood
• Discussion of issues:
  o Mitigation – APA (features, upfront information and accounting) covering items in Article 4 of the Paris Agreement
  o Transparency framework for reporting on action and support – covering items in Article 13 of the Paris Agreement
  o Article 6 items all in SBSTA
• In relation to Article 6
  o Results: Co facilitators produced “Reflection Notes” under their own authority, which have no formal status, to capture views
  o Further steps: submissions by Parties (and non-Parties)
Negotiation process

COP22 in Marrakech

• Political questions: how to interpret the provisions of the Paris Agreement
• Technical questions: how to implement
• First meeting of CMA since thresholds for entry into force reached
  o Question on participation in CMA1 (see webpage)
Transparency and accounting framework: underlying elements

- Different types of NDC (economy-wide absolute targets, deviation from business as usual, etc.)
  - How to measure achievement of collective goal and individual effort?
  - Paris Agreement set out certain features and information and accounting rules

- Different types of contribution
  - Short term / long term
  - Different scopes (sectors, projects, etc.)
  - Single year / multi-year targets
  - Quantifiability: from well defined to difficult to quantify

- Need to ensure trust on mutual understanding on the achievement of NDCs

- Different capabilities: need for support
Points for discussion

• Where the results of accounting would be reflected

• Oversight for Art. 6.2
  o At which level to establish rules?
    - Definition of rules
    - Application of rules
  o Point of application of accounting rules (generation / use / transfer of ITMOs)