

**How to Avoid Double Counting Of Emissions Reductions under the Paris Agreement**  
Steps Needed and Applicable Legal Bases to Ensure Internationally Transferred Emissions Reductions Are Not Counted Twice

Transfer Type	Steps Needed	Legal Basis
<b>NDC → NDC</b>	Host Party accounts for the transfer by recording and reporting at least every two years, in an account based on its NDC-relevant inventory, the addition of a corresponding amount of emissions.	<b>PA Article 6.2</b> requires “robust accounting,” and <b>Decision 1/CP.21 ¶36</b> specifically requires “corresponding adjustment.” <b>PA Article 4.4’s</b> encouragement to move towards “economy-wide <i>emission reduction or limitation targets</i> ” supports use of inventory-based accounting to ensure “robust accounting” for Article 6 Parties, distinct and additional to the requirement in <b>Article 4.13</b> to “account for” NDCs. <b>PA 13.7</b> and <b>Decision 1/CP.21 ¶90</b> require provision of “information necessary to track progress” to NDC at least every two years. Accounting for transfers involving <b>PA Article 6.4</b> would support <b>PA Article 13.5</b> requirement to provide “a clear understanding of climate change action in the light of the objective of the Convention.”
<b>*Non-NDC → NDC</b>	Host Party demonstrates robust baselines and accounts for the transfer by recording and reporting at least every two years, in an account based on its NDC-relevant inventory, the addition of a corresponding amount of emissions.	<b>PA Article 6.2</b> authorizes the CMA to develop guidance that applies robust accounting for any cooperation that involves the use of ITMOs <i>towards</i> NDCs. (Article 6.2 is not restricted to ITMOs originating <i>from</i> NDCs.). Any transfer that assists a host Party to achieve its NDC (e.g. through use of received revenues to reduce host country emissions, or via achievement of a conditional NDC) would also fall within the scope of Article 6.2 guidance. Applying Article 6.2 accounting guidance to both NDC and non-NDC transfers would a) support <b>PA Article 4.4’s</b> encouragement to move towards economy-wide targets, since non-NDC sectors could not generate double-countable credits; and b) if transfers occur via <b>PA Article 6.4</b> , support <b>Article 6.4(d)</b> ’s aim to deliver an overall mitigation in global emissions. Counting them twice would not. <b>PA 13.7</b> and <b>Decision 1/CP.21 ¶90</b> require provision of “information necessary to track progress” to NDC at least every two years. Reporting of non-NDC transfers is needed for <b>PA Article 13.5</b> Framework for Transparency of Action to provide “a clear understanding of climate change action in the light of the objective of the Convention.” <b>Decision 1/CP.21 ¶92</b> is to ensure environmental integrity, transparency, accuracy, completeness, and avoid double counting.
<b>*PA Non-Party Country → NDC/CORSIA</b>	Using Party verifies non-party country applies effectively equivalent procedures to those applied by PA Parties. Host demonstrates robust baselines and accounts for the transfer by recording and reporting at least every two years, in an account based on its inventory, the addition of a corresponding amount of emissions	<b>Same as non-NDC → NDC above, with following additions:</b> PA Party that uses – or hosts an airline that uses – ITMOs remains bound by PA Article 6.2 guidance and <b>Decision 1/CP.21 ¶36</b> to perform a “corresponding adjustment.” Developed country Parties to the Convention are required by <b>para 5(e) of the guidelines contained in annex I of decision 2/CP.17</b> and <b>para 1 of Decision 19/CP.18</b> (and its accompanying Table 2(e)(I)) to report every two years on use of market-based mechanisms under the Convention. <b>UNFCCC Article 12(1)(c)</b> requires each Party to submit information that it “considers relevant to the achievement of the objective of the Convention.” This information is necessary for the UNFCCC COP to fulfill its requirement under <b>UNFCCC Article 7.2(e)</b> to assess “the extent to which progress towards the objective of the Convention is being achieved.”
<b>NDC → CORSIA</b>	Host Party accounts for the transfer by recording and reporting at least every two years, in an account based on its NDC-relevant inventory, the addition of a corresponding amount of emissions.	<b>PA 6.1</b> recognizes that some Parties choose voluntary cooperation to allow for higher ambition in their mitigation actions. Cooperation is not restricted to achievement of NDCs, and CORSIA is a form of voluntary cooperation among countries. There is no requirement that ITMO transfers be made only “towards NDCs.” Any transfer to CORSIA that assists a host Party to achieve its NDC (e.g. through use of CORSIA-derived revenue to reduce host country emissions, or via achievement of a conditional NDC) would be a use “towards” an NDC and fall within the scope of Article 6.2 guidance. <b>PA Article 4.13</b> requires Parties to account for their NDCs and avoid double counting. Reporting of these transfers is required for <b>PA Article 13.5</b> Framework for Transparency of Action to provide “a clear understanding of climate change action in the light of the objective of the Convention.” <b>PA 13.7</b> and <b>Decision 1/CP.21 ¶90</b> requires provision of “information necessary to track progress” to NDC at least every two years. <b>UNFCCC Article 12(1)(c)</b> requires each Party to submit information that it “considers relevant to the achievement of the objective of the Convention.” This information is necessary for the UNFCCC COP to fulfill its requirement under <b>UNFCCC Article 7.2(e)</b> to assess “the extent to which progress towards the objective of the Convention is being achieved.”
<b>*Non-NDC → CORSIA</b>	Host Party reports the transfer at least every two years via the PA Article 13.5 framework, and records the addition of a corresponding amount of emissions in an account based on its inventory.	<b>PA 6.1</b> recognizes that some Parties choose voluntary cooperation to allow for higher ambition in their mitigation actions. Cooperation is not restricted to achievement of NDCs, and CORSIA is a form of voluntary cooperation among countries. There is no requirement that ITMO transfers be made only towards NDCs. Any transfer to CORSIA that assists a host Party to achieve its NDC (e.g. through use of CORSIA-derived revenue to reduce host country emissions, or via achievement of a conditional NDC) would be a use “towards” an NDC and fall within the scope of Article 6.2 guidance. Reporting of these transfers is required for <b>PA Article 13.5</b> Framework for Transparency of Action to provide “a clear understanding of climate change action in the light of the objective of the Convention.” CMA’s guidance under <b>Decision 1/CP.21 ¶92</b> is to ensure environmental integrity, transparency, accuracy, completeness, and avoid double counting. This would support <b>PA Article 4.4</b> by removing any disincentive to move toward economy-wide targets, and, for any transfers occurring via <b>PA Article 6.4.</b> , the aim of delivering an overall mitigation. Counting these twice would not. <b>UNFCCC Article 12(1)(c)</b> requires each Party to submit information that it “considers relevant to the achievement of the objective of the Convention.” This information is necessary for the UNFCCC COP to fulfill its requirement under <b>UNFCCC Article 7.2(e)</b> to assess “the extent to which progress towards the objective of the Convention is being achieved.”
<b>*CDM CERs → NDC</b>	Steps will depend on legal contexts, including, <i>inter alia</i> , time period and sectors of origin of CERs. Further legal steps may be needed, including decisions by KP CMP to authorize use, transfer, and acquisition of CERs outside of KP.	This has to be looked at in the legal context of both the <b>KP</b> and the <b>PA</b> : -- <b>PA Legal Context: NDC → NDC &amp; non-NDC → NDC</b> , above, apply. And, if CER transfer is to occur via <b>Article 6.4</b> , then 6.4 Body would need to approve CERs’ validity under 6.4 rules. -- <b>KP Legal Context: KP Article 12</b> : CDM purpose/use is to assist Parties included in Annex I to meet their KP Article 3 commitments. Secretariat (2010) <a href="#">opined</a> that CDM (a) may not, or (b) may, <i>issue</i> CERs after expiry of KP CP, and said (b) was correct. But it is an open legal question whether CERs can be <i>used</i> for other purposes. CMP decided that a Party included in Annex I may participate in ongoing project activities under Article 12 and in any project activities to be registered after 31 December 2012, but only Parties with QELRCs may transfer and acquire CP2 CERs (Decision 1/CMP.8 ¶13). CMP also established a voluntary cancellation platform and encouraged the Executive Board to explore options for other uses (Decision 6/CMP.11 ¶¶4, 7, and 3/CMP.12). The COP welcomed voluntary cancellation by Parties and stakeholders, of CERs valid for KP CP2 (Decisions 1/CP.21 ¶106, 1/CP.19); these raise no double-claiming risk. <b>To date however, neither the CMP nor the COP has authorized any other uses of CDM/CERs.</b>

<b>CDM→CORSIA</b>	Steps will depend on legal contexts, including, <i>inter alia</i> , time period and sector of origin of CERs. Further legal steps may be needed, including decisions by KP CMP to authorize use, transfer, and acquisition of CERs outside of KP.	<p>--<b>See Legal Context of KP re CDM CERs→NDC.</b></p> <p>--<b>CORSIA Legal Context:</b> Per <b>A39-3 ¶21</b>, emissions units generated from mechanisms established under the UNFCCC and the PA are eligible, provided they align with decisions by the Council, with technical contribution of CAEP, including on avoiding double counting and on eligible vintage and timeframe.</p> <p>Note: <b>A39-3 ¶21</b> does not mention KP, so it is not clear if CERs are covered by it; if they are, CERs will need to meet CORSIA eligibility criteria and decisions, which have yet to be taken.</p>
<b>Voluntary units →CORSIA</b>	Steps will depend on legal context, plus time period and sector of origin of units.	Taking into account CORSIA, KP and PA Legal Contexts, voluntary programs will need further rules to ensure reductions originating under them are not claimed twice.

\* These transfers are theoretical, as it is still to be determined if crediting from outside NDCs is allowed under PA Article 6.2 or 6.4

**Guiding Principle:** Parties choosing to transact voluntarily under Article 6 accept an additional layer of rigor and accuracy in their MRV and accounting in order to fulfill the specific requirements of Article 6, distinct and additional to the requirement in **Article 4.13** to “account for” NDCs.

**Key/Glossary of abbreviations:**

“Article” and “para/¶” refer to Articles and paragraphs respectively of the Paris Agreement and its accompanying Decision, unless otherwise indicated

CDM – Clean Development Mechanism (under the Kyoto Protocol)

CER – Certified Emission Reduction unit under the Clean Development Mechanism

CORSIA – the Carbon Offsetting and Reduction Scheme for International Aviation

NDC – Nationally Determined Contribution (under the Paris Agreement)

PA – Paris Agreement

UNFCCC – United Nations Framework Convention on Climate Change

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