

## Carbon Market options and most relevant provisions in the Paris Agreement and CoP Decision (Dec 12, 2015, Paris)

Paris Agreement	Art	Decision ..CP.21	Para
New concept (no definitions in text yet) <b>ITMOs: internationally transferred mitigation outcomes:</b> so, reductions can be transferred			
Parties can generate 'domestic' reductions to meet their NDCs; those reductions can than also be transferred as ITMOs: <i>"Each Party shall prepare, communicate and maintain successive nationally determined contributions that it intends to achieve. Parties shall pursue domestic mitigation measures with the aim of achieving the objectives of such contributions."</i> → See Decision para 53 to prevent double counting regarding reaching NDCs	Art 4.2.		
<i>"Parties <b>shall account for their nationally determined contributions.</b> In accounting for anthropogenic emissions and removals corresponding to their nationally determined contributions, Parties shall promote environmental integrity, transparency, accuracy, completeness, comparability and consistency, and <b>ensure the avoidance of double counting</b>, in accordance with guidance adopted by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement."</i>	Art.4.13	APA to elaborate ... "guidance for accounting for Parties' NDCs"	Para 31
<b>Cooperation</b> in the implementation of NDCs for increasing ambition	Art 6.1		
<b>Cooperation, if ITMO transfer is involved:</b> ensure environmental integrity and avoid double counting consistent with guidance of the CoP	Art 6.2	<b>Avoid double counting:</b> <i>"Guidance to ensure that double counting is avoided on the basis of a corresponding adjustment by Parties for both anthropogenic emissions by sources and removals by sinks covered by their nationally determined contributions under the Agreement"</i> at CoP-1	Para 36
<b>International Emissions Trading</b> amongst sovereigns: <i>"The use of internationally transferred mitigation outcomes to achieve nationally determined contributions under this Agreement shall be voluntary and authorized by participating Parties"</i> → could involve JREDD as NDC	Art 6.3		
<b>Sustainable Development Mechanism (SDM)</b> , authority and guidance by CoP, with to aim to: (a) promote mitigation, (b) incentivize participation, (c) reductions in Host country, can Also be used by other Party for its NDC, (d) <b>to deliver an overall mitigation in global emissions</b> (net reductions)	Art 6.4	<b>Modalities and procedures for the SDM:</b> "(a) Voluntary participation authorized by each Party involved; (b) Real, measurable, and long-term benefits related to the mitigation of climate change; (c) Specific scopes of activities; (d) Reductions in emissions that are additional to any that would	Para 37

		<p>otherwise occur;</p> <p>(e) Verification and certification of emission reductions resulting from mitigation activities by designated operational entities; (f) Experience gained with and lessons learned from existing mechanisms and approaches adopted under the Convention and its related legal instruments”</p> <p>→ includes land use, REDD projects</p> <p>→ 'global reductions' not part of work plan yet!</p>	
<b>No double counting</b> if used for other Parties' NDC “Emission reductions resulting from the mechanism (SDM) referred to in paragraph of this Article shall not be used to demonstrate achievement of the host Party's nationally determined contribution if used by another Party to demonstrate achievement of its nationally determined contribution”	Art 6.5		
<b>Share of Proceeds of SDM:</b> for administration and adaptation costs	Art 6.6		
Framework for <b>Non Market-Approaches</b>	Art 6.8	SBSTA tot develop work programme for SDM	Para 40
<b>Enhanced Transparency Framework</b>	Art13	Transparency Framework, AdHoc Group Guidance: <i>“The need to ensure that double counting is avoided”</i>	Para 84-85 92,f
		<b>Avoid double counting:</b> <i>“Decides that the guidance under paragraph 31 above shall ensure that double counting is avoided on the basis of a corresponding adjustment by both Parties for anthropogenic emissions by sources and/or removals by sinks covered by their nationally determined contributions under the Agreement”</i>	Para 35
		<b>Prior to 2020</b> <i>Encourages Parties to promote the <b>voluntary cancellation</b> by Party and non-Party stakeholders, <b>without double counting</b>, of units issued under the Kyoto Protocol, including certified emission reductions that are valid for the second commitment period;</i>	Para 106
		<i>“Urges <b>host and purchasing Parties to report transparently on internationally transferred mitigation outcomes</b>, including outcomes used to meet international pledges, and emission units issued under the Kyoto Protocol <b>with a view to promoting environmental integrity and avoiding double counting</b>”</i>	Para 107
		<b>Non-Party Stakeholders</b> Role of <b>carbon pricing</b> , as domestic policy for to incentivize emissions reduction	Para 137