

Unpacking proposal for para 39 and related paragraphs in Section D

The left column sets out paragraphs 24, 39 and 49 as they appear in the Geneva text. The middle column sets out the same text in a different order so that similar concepts are grouped together. The 6 options in para 39 are colour coded to show where they are moved to in the middle column. The right column notes which concepts are being grouped together, and indicates where related content appears in other sections of the text.

<p>24. [Parties agree to account for their efforts to reduce or limit GHG emissions in line with agreed accounting framework/principles, as further elaborated by the governing body, in a manner that:</p> <p>24.1. Promotes understanding and environmental integrity of efforts to reduce or limit GHG emissions;</p> <p>24.2. Is consistent with IPCC principles of transparency, accuracy, consistency, completeness and comparability;</p> <p>24.3. Appropriately accommodates Parties' national circumstances and capabilities.]</p> <p>39.</p> <p>[Option 1: In meeting their commitments [/ contributions / actions], Parties may make use of market mechanisms [and actions][, including] [in the land-use sector] in accordance with [X][the provisions on transparency of action and support as contained in section I, in particular in order to ensure environmental integrity and avoid double counting][accounting rules developed by the governing body][the rules and provisions adopted by the governing body of this Protocol in order to ensure environmental integrity] [by ensuring that:</p> <p>i. Transfers of mitigation outcomes or units between Parties can be used to meet their contributions/commitments/actions under the new agreement;</p> <p>ii. Units emanating from UNFCCC-approved mechanisms, including REDD-plus mechanisms, will be transferrable and can be used to meet contributions/commitments/actions of Parties under the new agreement;</p> <p>iii. Mitigation outcomes and units emanating from mechanisms outside the UNFCCC can be used to meet contributions/commitments/actions of Parties under the new agreement provided that they meet conformity requirements established by the COP].</p>	<p>Paragraph immediately before 39.</p> <p>Option 1. [Moved from para 24] [Parties agree to account for their efforts to reduce or limit GHG emissions in line with agreed accounting framework/principles, as further elaborated by the governing body, in a manner that:</p> <p>X.1. Promotes understanding and environmental integrity of efforts to reduce or limit GHG emissions;</p> <p>X.2. Is consistent with IPCC principles of transparency, accuracy, consistency, completeness and comparability;</p> <p>X.3. Appropriately accommodates Parties' national circumstances and capabilities.]</p> <p>Option 2. [Moved from para 49] [Accounting rules shall be applied under the Convention, building on experience, providing consistent, transparent, comparable, accurate and complete information. The Conference of the Parties shall develop detailed guidelines for common accounting, no later than at its xx session (2017) including on, inter alia, gases, sectors and metrics; methodological approaches to estimating and accounting for anthropogenic GHG emissions by sources and, as appropriate, removals by sinks; and use of credits from market-based mechanisms.]</p> <p>Para 39. In accounting for progress towards meeting their commitments / contributions, including their use of market mechanisms and of the land sector, Parties shall apply the following accounting principles: [39.1. General principles]</p> <p>a. Net changes in emissions of greenhouse gases by sources and removals by sinks recognized towards commitments / contributions should be real, additional, permanent, and verifiable;</p> <p>b. Parties are encouraged to include all major sources of anthropogenic emissions and removals in their commitment / contribution, as defined by IPCC key categories;</p>	<p><i>Overarching</i></p> <p>39. <i>General principles</i></p> <p><i>Note: related content appears in:</i></p> <ul style="list-style-type: none"> - <i>Para 150 & 152 Option 1(c) (common methodologies and metrics)</i> - <i>Para 152 Option 3(e),(f) (accounting</i>
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<p>39.1. The use of market mechanisms is to:</p> <p>a. Mobilize the widest range of potential investments for [adaptation and] mitigation;</p> <p>b. Create incentives for early action;</p> <p>c. Incentivize and coordinate effective mitigation [and adaptation] actions [including those with co-benefits for adaptation] from the broadest range of actors, including the private sector, to support the implementation of this agreement;</p> <p>d. Ensure consistency with individual commitments / contributions;</p> <p>e. [Be in accordance with the provisions on transparent accounting as contained in section I (<i>Transparency of action and support</i>), in particular to avoid double counting;]</p> <p>f. [Contribute to the sustainable development of the host country;]</p> <p>g. [Generate resources through a levy to enhance climate-resilient investment in developing countries;]</p> <p>h. [Supplement domestic action].</p> <p>39.2. [The use of market mechanisms shall be supplementary to domestic action] [and a cap will apply to ensure that mitigation commitments are the main domestic actions.]] [Domestic action shall account for the majority of the emission reductions required to fulfil each Party's commitment.]</p> <p>39.3. A centrally governed market mechanism shall be created under the Convention that builds on the existing market mechanisms;</p> <p>39.4. The governing body of this Protocol shall ensure that a share of the proceeds from the use of market mechanisms is used to assist developing country Parties that are particularly vulnerable to climate change to meet the costs of adaptation;</p> <p>39.5. The use of actions in the land-use sector is to:</p> <p>a. Accommodate national circumstances and proper incentives so as to facilitate actions and stakeholder cooperation;</p> <p>b. Encourage to build on existing accounting approaches, methodologies, guidance and guidelines for anthropogenic emissions and removals, where available.</p> <p>39.6. The governing body shall develop accounting rules for the use of market mechanisms and the land-use sector with regard to mitigation contributions of all Parties, including for how to avoid double counting.</p> <p>Option 2: Parties may claim mitigation outcomes achieved in other</p>	<p>c. For key categories of emissions and removals that are not included in commitments / contributions, Parties are encouraged to include an explanation for their exclusion, and to strive to include these over time;</p> <p>d. Consistent methodologies should be used for the estimation and reporting of mitigation actions and outcomes over time;</p> <p>e. To ensure consistency, Parties should use the same baselines, accounting methodologies and approaches throughout the commitment/ contribution/ contribution time frame, including in the base year or other reference point and commitment period, except where technical corrections are required to maintain methodological consistency;</p> <p>f. Projected reference levels and other dynamic baselines should be subject to technical assessment prior to the commencement of the commitment/ contribution period to encourage their transparency, completeness, consistency, accuracy and comparability;</p> <p>g. Parties should avoid double counting of mitigation actions in tracking progress towards their commitments/ contributions by ensuring mitigation outcomes cannot be used more than once;</p> <p>h. Parties shall use the metric specified by the IPCC in its latest assessment report and adopted by the COP, unless otherwise decided by the COP.</p> <p>39bis.</p> <p>Option 1:</p> <p>39bis.1 {39.5.}The use of actions in the land-use sector is to:</p> <p>a. Accommodate national circumstances and proper incentives so as to facilitate actions and stakeholder cooperation;</p> <p>b. Encourage to build on existing accounting approaches, methodologies, guidance and guidelines for anthropogenic emissions and removals, where available.</p> <p>39bis.2 {39.6.} The governing body shall develop accounting rules for the use of market mechanisms and the land-use sector with regard to mitigation contributions of all Parties, including for how to avoid double counting</p> <p>Option 2:</p> <p>In accounting for progress towards meeting their commitments / contributions, including their use of market mechanisms and of the land</p>	<p><i>principles)</i></p> <p>- <i>Para 152 Option 5 (accounting principles)</i></p> <p><i>39bis. Land principles</i></p> <p><i>Note: related content appears in:</i></p> <ul style="list-style-type: none"> - <i>Para 152 Option 3 (g)</i> - <i>Para 152 Option 5</i>
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<p>Parties towards their commitment subject to specific rules and requirements designed to ensure that the environmental integrity and the integrity of commitments are maintained and that double counting is avoided.</p> <p>39.1. The UNFCCC certification and use of mitigation outcomes by countries on a voluntary basis should be subject to specific rules and requirements designed to provide for a scaling-up of effort and entailing a net contribution to global mitigation efforts and contributing to sustainable development;</p> <p>39.2. Those rules and requirements will be defined by 2016, and include eligibility and participation requirements.</p> <p>Option 3: In accounting for progress towards meeting their commitments / contributions, including their use of market mechanisms and of the land sector, Parties shall apply the following accounting principles:</p> <p>39.1. General principles</p> <p>a. Net changes in emissions of greenhouse gases by sources and removals by sinks recognized towards commitments / contributions should be real, additional, permanent, and verifiable;</p> <p>b. Parties are encouraged to include all major sources of anthropogenic emissions and removals in their commitment / contribution, as defined by IPCC key categories;</p> <p>c. For key categories of emissions and removals that are not included in commitments / contributions, Parties are encouraged to include an explanation for their exclusion, and to strive to include these over time;</p> <p>d. Consistent methodologies should be used for the estimation and reporting of mitigation actions and outcomes over time;</p> <p>e. To ensure consistency, Parties should use the same baselines, accounting methodologies and approaches throughout the commitment/ contribution/ contribution time frame, including in the base year or other reference point and commitment period, except where technical corrections are required to maintain methodological consistency;</p> <p>f. Projected reference levels and other dynamic baselines should be subject to technical assessment prior to the commencement of the commitment/ contribution period to encourage their transparency, completeness, consistency, accuracy and comparability;</p>	<p>sector, Parties shall apply the following accounting principles:</p> <p>39.2. Land sector principles/</p> <p>a. Both emissions and removals should be accounted for in assessing progress towards the commitment/ contribution;</p> <p>b. Once a source, sink, or activity is accounted for, it should not subsequently be excluded from accounting without an explanation of why it has been excluded;</p> <p>c. Definitions of forest, land use and activities should be used consistently over time;</p> <p>d. Parties may apply the principles and methodologies of existing approaches under the Convention and its Kyoto Protocol to recognizing mitigation outcomes in the land sector, consistent with IPCC guidance where applicable;</p> <p>e. Parties may exclude emissions and removals resulting from natural disturbances, consistent with the most recent IPCC guidance;</p> <p>f. Parties should strive to exclude from accounting non-anthropogenic emissions and removals.</p> <p>Option 3: No provisions on market mechanisms and actions in land use sector</p> <p>39ter</p> <p>Option 1:</p> <p>39ter.1 In meeting their commitments [/ contributions / actions], Parties may make use of market mechanisms [and actions][, including] [in the land-use sector] in accordance with [X][the provisions on transparency of action and support as contained in section I, in particular in order to ensure environmental integrity and avoid double counting][accounting rules developed by the governing body][the rules and provisions adopted by the governing body of this Protocol in order to ensure environmental integrity] [by ensuring that:</p> <p>i. Transfers of mitigation outcomes or units between Parties can be used to meet their contributions/commitments/actions under the new agreement;</p> <p>ii. Units emanating from UNFCCC-approved mechanisms, including REDD-plus mechanisms, will be transferrable and can be used to meet contributions/commitments/actions of Parties under the new agreement;</p> <p>iii. Mitigation outcomes and units emanating from mechanisms outside the UNFCCC can be used to meet contributions/commitments/actions of Parties</p>	<p>39ter. Use of markets</p> <p>Note: Related content also appears in: - Paras 153-159</p>
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<p>g. Parties should avoid double counting of mitigation actions in tracking progress towards their commitments/ contributions by ensuring mitigation outcomes cannot be used more than once;</p> <p>h. Parties shall use the metric specified by the IPCC in its latest assessment report and adopted by the COP, unless otherwise decided by the COP.</p> <p>39.2. Land sector principles</p> <p>a. Both emissions and removals should be accounted for in assessing progress towards the commitment/ contribution;</p> <p>b. Once a source, sink, or activity is accounted for, it should not subsequently be excluded from accounting without an explanation of why it has been excluded;</p> <p>c. Definitions of forest, land use and activities should be used consistently over time;</p> <p>d. Parties may apply the principles and methodologies of existing approaches under the Convention and its Kyoto Protocol to recognizing mitigation outcomes in the land sector, consistent with IPCC guidance where applicable;</p> <p>e. Parties may exclude emissions and removals resulting from natural disturbances, consistent with the most recent IPCC guidance;</p> <p>f. Parties should strive to exclude from accounting non-anthropogenic emissions and removals.</p> <p>39.3. Markets accounting principles</p> <p>a. Parties shall ensure that units are not counted or claimed more than once.</p> <p>Option 4: An economic mechanism is hereby defined.</p> <p>39.1. The purpose of the economic mechanism shall be to facilitate the fulfilment of NDCs by Parties with quantified economy-wide absolute targets for the mitigation component and to incentivize developing country Parties to take on such targets over time;</p> <p>39.2. The economic mechanism shall be comprised of:</p> <p>a. An emissions trading system (ETS);</p> <p>b. An enhanced Clean Development Mechanism (CDM-plus).</p> <p>39.3. Under the ETS, Parties with quantified economy-wide absolute targets for the mitigation component of their NDC may participate, on a voluntary basis, in the ETS for the purpose of fulfilling their respective NDC. Any such trading shall be supplemental to domestic actions for the purpose of meeting their targets;</p>	<p>under the new agreement provided that they meet conformity requirements established by the COP].</p> <p>39ter.2 39.6. The governing body shall develop accounting rules for the use of market mechanisms and the land-use sector with regard to mitigation contributions of all Parties, including for how to avoid double counting</p> <p>Option 2: 39 Parties may claim mitigation outcomes achieved in other Parties towards their commitment subject to specific rules and requirements designed to ensure that the environmental integrity and the integrity of commitments are maintained and that double counting is avoided.</p> <p>Option 3: In accounting for progress towards meeting their commitments / contributions, including their use of market mechanisms and of the land sector, Parties shall apply the following accounting principles: [39.3. Markets accounting principles]</p> <p>a. Parties shall ensure that units are not counted or claimed more than once.</p> <p>Option 4: No provisions on market mechanisms and actions in land-use sector</p> <p>Option 5: 39quater.1 Parties, when cooperating to achieve their mitigation commitments, shall ensure that cooperative arrangements deliver real, permanent, additional and verified internationally transferable mitigation outcomes in an environmentally integral way, avoid double counting of effort and achieve a net decrease and/or avoidance of emissions;</p> <p>39quater.2 The governing body shall develop and adopt standards for implementing paragraph 39.1 above and processes for ensuring that these standards are met;</p> <p>39quater.3 The governing body shall create and strengthen synergies between cooperative arrangements and mechanisms established or to be established under the Convention, its related legal instruments and other relevant institutions;</p> <p>39quater.4 Parties agree to account in line with the standards adopted by the governing body the internationally transferable mitigation outcomes that they use towards their commitments/contributions.</p>	
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<p>39.4. Under CDM-plus:</p> <p>a. Parties with quantified economy-wide absolute targets for the mitigation component of their NDC may, on a voluntary basis, use the certified emission reductions accruing from such project activities for the purpose of fulfilling their respective NDC. Any such accruing shall be supplemental to domestic actions for the purpose of meeting their targets;</p> <p>b. Developing country Parties will benefit from project activities resulting in certified emission reductions on a voluntary basis.</p> <p>39.5. The economic mechanism shall be subject to the authority and guidance of the Conference of the Parties;</p> <p>39.6. The CDM-plus shall be supervised by an executive board;</p> <p>39.7. The Conference of the Parties shall define the relevant principles, modalities, procedures and guidelines, in particular for verification, reporting and accountability of the economic mechanism;</p> <p>39.8. All Parties should actively promote the voluntary cancellation of certified emissions reductions, including by subnational entities and the private sector, with a view to fostering their engagement with mitigation actions and further enhancing the environmental integrity of the mechanism. Parties that put forward a financial pledge or target in their NDC would be entitled to use the amount of certified emissions reductions cancelled on their behalf to comply with their financial targets and pledges, but not their mitigation obligations.</p> <p>Option 5:</p> <p>39.1. Parties, when cooperating to achieve their mitigation commitments, shall ensure that cooperative arrangements deliver real, permanent, additional and verified internationally transferable mitigation outcomes in an environmentally integral way, avoid double counting of effort and achieve a net decrease and/or avoidance of emissions;</p> <p>39.2. The governing body shall develop and adopt standards for implementing paragraph 39.1 above and processes for ensuring that these standards are met;</p> <p>39.3. The governing body shall create and strengthen synergies between cooperative arrangements and mechanisms established or to be established under the Convention, its related legal instruments and other relevant institutions;</p>	<p>39quater</p> <p>Option 1:</p> <p>39quater.1 The use of market mechanisms is to:</p> <p>a. Mobilize the widest range of potential investments for [adaptation and] mitigation;</p> <p>b. Create incentives for early action;</p> <p>c. Incentivize and coordinate effective mitigation [and adaptation] actions [including those with co-benefits for adaptation] from the broadest range of actors, including the private sector, to support the implementation of this agreement;</p> <p>d. Ensure consistency with individual commitments / contributions;</p> <p>e. [Be in accordance with the provisions on transparent accounting as contained in section I (<i>Transparency of action and support</i>), in particular to avoid double counting;]</p> <p>f. [Contribute to the sustainable development of the host country;]</p> <p>g. [Generate resources through a levy to enhance climate-resilient investment in developing countries;]</p> <p>h. [Supplement domestic action].</p> <p>39quater.2 39.2. [The use of market mechanisms shall be supplementary to domestic action] [and a cap will apply to ensure that mitigation commitments are the main domestic actions.]] [Domestic action shall account for the majority of the emission reductions required to fulfil each Party's commitment.]</p> <p>39quater.3 39.3. A centrally governed market mechanism shall be created under the Convention that builds on the existing market mechanisms;</p> <p>39quater.4 39.4. The governing body of this Protocol shall ensure that a share of the proceeds from the use of market mechanisms is used to assist developing country Parties that are particularly vulnerable to climate change to meet the costs of adaptation;</p> <p>Option 2:</p> <p>An economic mechanism is hereby defined.</p> <p>39quater.1 39.1. The purpose of the economic mechanism shall be to facilitate the fulfilment of NDCs by Parties with quantified economy-wide absolute targets for the mitigation component and to incentivize developing country Parties to take on such targets over time;</p> <p>39quater.2 39.2. The economic mechanism shall be comprised of:</p> <p>a. An emissions trading system (ETS);</p>	<p><i>39quater Markets arrangements</i></p>
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<p>39.4. Parties agree to account in line with the standards adopted by the governing body the internationally transferable mitigation outcomes that they use towards their commitments/contributions.</p> <p><i>Option 6:</i> No provisions on market mechanisms and actions in land use sector.]</p> <p>49. [Accounting rules shall be applied under the Convention, building on experience, providing consistent, transparent, comparable, accurate and complete information. The Conference of the Parties shall develop detailed guidelines for common accounting, no later than at its xx session (2017) including on, inter alia, gases, sectors and metrics; methodological approaches to estimating and accounting for anthropogenic GHG emissions by sources and, as appropriate, removals by sinks; and use of credits from market-based mechanisms.]</p>	<p>b. An enhanced Clean Development Mechanism (CDM-plus).</p> <p>39quater.3 39-3. Under the ETS, Parties with quantified economy-wide absolute targets for the mitigation component of their NDC may participate, on a voluntary basis, in the ETS for the purpose of fulfilling their respective NDC. Any such trading shall be supplemental to domestic actions for the purpose of meeting their targets;</p> <p>39quater.4 39-4. Under CDM-plus:</p> <p>a. Parties with quantified economy-wide absolute targets for the mitigation component of their NDC may, on a voluntary basis, use the certified emission reductions accruing from such project activities for the purpose of fulfilling their respective NDC. Any such accruing shall be supplemental to domestic actions for the purpose of meeting their targets;</p> <p>b. Developing country Parties will benefit from project activities resulting in certified emission reductions on a voluntary basis.</p> <p>39.5 quater 39-5. The economic mechanism shall be subject to the authority and guidance of the Conference of the Parties;</p> <p>39.6 quater 39-6. The CDM-plus shall be supervised by an executive board;</p> <p>39.7 quater 39-7. The Conference of the Parties shall define the relevant principles, modalities, procedures and guidelines, in particular for verification, reporting and accountability of the economic mechanism;</p> <p>39.8 quarter 39-8. All Parties should actively promote the voluntary cancellation of certified emissions reductions, including by subnational entities and the private sector, with a view to fostering their engagement with mitigation actions and further enhancing the environmental integrity of the mechanism. Parties that put forward a financial pledge or target in their NDC would be entitled to use the amount of certified emissions reductions cancelled on their behalf to comply with their financial targets and pledges, but not their mitigation obligations.</p>	
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