

Panama on behalf of the Coalition for Rainforest Nations

Inputs to ADP

D. Mitigation

‘Geneva text’	Proposal for streamlined/consolidated 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. (chapeau) (<i>from para 24</i>)</p> <p>24. [Parties agree to account for their efforts to reduce or limit GHG emissions in line with agreed accounting provisions under the Convention and its Kyoto Protocol, and any framework/principles, as further agreed elaborationed 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 reporting principles of transparency, accuracy, consistency, completeness and comparability;</p> <p>3. Is based on estimates of GHG emissions and removals prepared by applying the latest agreed IPCC methodologies</p> <p>24.34. 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</p>	<p>39bis. (accounting principles) <i>from option 3</i></p> <p>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>39bis.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 significant sources/sinks 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>

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].

39.1. The use of market mechanisms is to:

- a. Mobilize the widest range of potential investments for [adaptation and] mitigation;
- b. Create incentives for early action;
- 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;
- d. Ensure consistency with individual commitments / contributions;
- e. [Be in accordance with the provisions on transparent accounting as contained in section I (*Transparency of action and support*), in particular to avoid double counting;]
- f. [Contribute to the sustainable development of the host country;]
- g. [Generate resources through a levy to enhance climate-resilient investment in developing countries;]
- h. [Supplement domestic action].

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.]

39.3. A centrally governed market mechanism shall be created under the Convention that builds on the existing market mechanisms;

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;

39.5. The use of actions in the land-use sector is to:

- a. Accommodate national circumstances and proper incentives so as to facilitate actions and stakeholder cooperation;
- b. Encourage to build on existing accounting approaches, methodologies, guidance and guidelines for anthropogenic emissions and removals, where available.

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

d. Consistent methodologies should be used for the estimation and reporting of mitigation actions and outcomes over time;

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;

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;

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;

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.

[i. Parties shall include displaced emissions as leakage, if any, when accounting for results of mitigation](#)

39bis.2. Land sector principles

[All Parties should consider policies and measures in the land-use sector aiming at mitigating greenhouse gas emissions. Parties are encouraged to undertake mitigation actions in accordance with COP decisions, including on REDD-plus, CMP decisions on land use activities under the Kyoto Protocol, NAMA on any sink and reservoir, and any future decision by the COP or the Governing Body.](#)

a. Both [anthropogenic](#) emissions and removals should be accounted for in assessing progress towards the commitment/ contribution;

b. [Inclusion should be on the basis of the most recently agreed IPCC estimation methodologies](#)

c. Once a source, sink ~~or~~, activity [or pool](#) is accounted for, it should not subsequently be excluded from accounting ~~without an explanation of why it has been excluded~~;

d. Definitions of forest, land use and activities should be used consistently over time, [or an](#)

avoid double counting.

Option 2: 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.

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;

39.2. Those rules and requirements will be defined by 2016, and include eligibility and participation requirements.

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:

39.1. General principles

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;

b. Parties are encouraged to include all major sources of anthropogenic emissions and removals in their commitment / contribution, as defined by IPCC key categories;

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;

d. Consistent methodologies should be used for the estimation and reporting of mitigation actions and outcomes over time;

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;

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

explanation should be provided of why and how a definition has changed;

~~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;~~

e. Parties may exclude emissions and removals resulting from natural disturbances, consistent with the most recent IPCC guidance;

~~f. Parties should strive to exclude from accounting non-anthropogenic emissions and removals.~~

f. Parties may build on the existing principles, methodologies and accounting approaches for including land-use under the Convention and the Kyoto Protocol

g. Parties should consider in the land-use sector, synergies between mitigation and adaptation, taking into account the ultimate objective of the Convention.

39ter. (market-based mechanism) *from 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:

i. Transfers of mitigation outcomes or units between Parties can be used to meet their contributions/commitments/actions under the new agreement;

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;

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.

and comparability;

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;

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.

39.2. Land sector principles

a. Both emissions and removals should be accounted for in assessing progress towards the commitment/ contribution;

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;

c. Definitions of forest, land use and activities should be used consistently over time;

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;

e. Parties may exclude emissions and removals resulting from natural disturbances, consistent with the most recent IPCC guidance;

f. Parties should strive to exclude from accounting non-anthropogenic emissions and removals.

39.3. Markets accounting principles

a. Parties shall ensure that units are not counted or claimed more than once.

Option 4: An economic mechanism is hereby defined.

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;

39.2. The economic mechanism shall be comprised of:

a. An emissions trading system (ETS);

b. An enhanced Clean Development Mechanism (CDM-plus).

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;

39.4. Under CDM-plus:

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;

b. Developing country Parties will benefit from project activities resulting in certified emission reductions on a voluntary basis.

39.5. The economic mechanism shall be subject to the authority and guidance of the Conference of the Parties;

39.6. The CDM-plus shall be supervised by an executive board;

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;

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.

Option 5:

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;

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;

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;

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

<p>commitments/contributions. Option 6: No provisions on market mechanisms and actions in land use sector.]</p>	
<p>37. [Parties may undertake forest mitigation actions in accordance with the Warsaw Framework for REDD-plus, including activities under the Kyoto Protocol where appropriate;]</p>	<p>37. Parties may undertake forest mitigation actions in accordance with the Warsaw Framework for REDD-plus, including activities under the Kyoto Protocol where appropriate, and other nationally appropriate mitigation actions related to carbon sinks and reservoirs;</p>
<p>43. [Institutional arrangements under the Convention and the coordination of support for REDD-plus should be strengthened under this agreement on the basis of decision 10/CP.19.]</p>	<p>43. The institutional arrangements for REDD+ under the Convention and the coordination of support for REDD-plus should referred to in the Warsaw Framework for REDD-plus shall be strengthened under this agreement on the basis of decision 10/CP.19.] and serve this agreement;</p>