

Informal summary of the SBSTA event on developed country Parties' targets

Agenda item 14

Work programme on clarification of quantified economy-wide emission reduction targets of developed country Parties

Version of 12 June 2014

Summary by the co-facilitators

On the use of carbon credits from market-based mechanisms, presentations were made by Mr. Peer Stiansen, the co-facilitator of the SBSTA agenda item on market and non-market mechanisms under the Convention, and Ms. Christina Hood from the International Energy Agency (IEA).

- Mr. Stiansen presented on the state of play of the discussions on accounting rules for the market and non-market mechanisms under the SBSTA. He highlighted that one of the possible functions of the framework for various approaches (FVA) could be the development of rules for recording, tracking and accounting, which would help to ensure the environmental integrity, and avoid double counting, of various mitigation approaches. At this stage in the discussions, options range from a set of common rules applicable to all approaches to a minimum set of common criteria to be met and/or general principles and guidelines.
- Ms. Hood provided information on the latest IEA work on addressing double counting of mitigation for diverse contribution types. She highlighted various aspects and presented examples of double counting and potential solutions of how these cases of double counting could be avoided, of how mitigation transfers could be reflected in single-year and multi-year targets, and of potential rules for the use of market or non-market transfers by Parties, including minimum requirements to ensure transparency.

On the role of land use, land-use change and forestry (LULUCF) the secretariat presented a summary of the technical briefing on LULUCF held during SBSTA 39.

Parties expressed their appreciation for the presentations and the information provided by the presenters.

Questions and answers and discussion

- During the event, some Parties shared their views on how the information presented can provide input to the work programme and can help achieve its objectives.

Use of carbon credits in market-based mechanisms

- Parties acknowledged that clarification of the use of carbon credits in market-based mechanisms in relation to the targets of developed country Parties is important in ensuring the comparability of efforts among developed country Parties. Some Parties stated that the type of accounting for unit flows, whether the use of units is capped, the types of units used, and how the units are used for the achievement of the targets, could affect expected emission reductions and comparability of efforts;
- During the event, Parties also discussed the market-based mechanisms under the Kyoto Protocol and the new evolving mechanisms under the Convention, as well as domestic market-based mechanisms currently not covered under a framework. Some Parties highlighted the importance of increased transparency regarding the use of market-based mechanisms by individual Parties to fulfill their targets;

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- Some Parties highlighted the importance of ensuring the environmental integrity of carbon credits from market-based mechanisms and of avoiding potential double claiming and double counting;
- Some Parties highlighted that common accounting rules could further clarify the use of carbon credits in market-based mechanisms in relation to the targets of developed country Parties;
- Parties highlighted that many of the topics raised during the discussion are currently being addressed under SBSTA agenda item 13, including the preparation of common rules to safeguard environmental integrity, to avoid double counting, and to arrange accounting of units under the Convention. Some Parties stressed the need to avoid duplication of work and that the focus of this work programme should remain on the clarification of the targets of developed country Parties.

Role of LULUCF

- The event provided an opportunity for developed country Parties to further clarify the role of LULUCF in their quantified economy-wide emission reduction targets and the assumptions and conditions associated with those targets;
- Several Parties provided additional information and also referred to information contained in their biennial reports and their GHG inventory submissions, including accounting information under the Kyoto Protocol, and to the comprehensive set of rules and guidance from the IPCC;
- Some Parties highlighted that, owing to the complexity of LULUCF, the information on the role of LULUCF in the individual targets as reported in the biennial reports can be difficult to comprehend;
- Several Parties stated that the multilateral assessment under the international assessment and review process will provide the opportunity to continue the clarification of assumptions and conditions related to the individual targets;
- As regards the objectives of the work programme, some Parties emphasized that coverage of sectors and sinks within LULUCF is a more significant factor for comparability than reporting methods. Some other Parties acknowledged that different approaches are used for accounting of LULUCF and that this may undermine the comparability of efforts.