

Key Issues for Linking Market Mechanisms and the Nationally Determined Contributions (NDCs)

Addressing transparency, environmental integrity, and sustainable development

Aryanie Amellina

Policy Researcher, Climate and Energy Area



Key issues for market mechanisms under Paris Agreement Example: 6.2. "cooperative approaches"

"Parties shall, where engaging on a voluntary basis in cooperative approaches that involve the use of internationally transferred mitigation outcomes towards nationally determined contributions, promote sustainable development and ensure environmental integrity and transparency, including in governance, and shall apply robust accounting to ensure, inter alia, the avoidance of double counting, consistent with guidance adopted by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement."

ITMOs

"internationally transferred mitigation outcomes"

Need to be further defined:

- GHG units → tCO₂, credits, (CERs?)
- Non-GHG units e.g. certificates?

May be transferred between Parties with different NDC types

Coherence between transparency elements is essential for linking market mechanisms (MM) and NDC

Country	NDC content (relation to JCM)	Inventory status	Accounting under JCM and linkage with NDC
JP (26% below 2013)	1.NDC type: GHG absolute reductions 2.ER from MM will be counted 3.Period: FY 2021-2031	2016 IPCC 2006 All GHGs	1. Operating JCM registry 2. ER estimated by 2030: 50-100 million tCO ₂
BD (5-15% below BAU)	1.NDC type: GHG reductions relative to BAU in power, transport, industry 2.For conditional and unconditional contributions, based on sectors? 3.Period: 2020-2030	2005 IPCC 1996/2006 CO ₂ , CH ₄ , N ₂ O	1. JCM registry needed 2. Commitment to generate credits needed
ID (29-41% below BAU)	1.NDC type: GHG reductions relative to BAU 2.Enhanced contribution depends on international support 3.No period mentioned (single year target: 2030)	2012 IPCC 2006 CO ₂ , CH ₄ , N ₂ O	1. Operating JCM registry 2. At least 10% credits allocated to govt. 3. Indication of credit from MM might be useful
VN (8-25% below BAU)	1.NDC type: GHG reductions relative to BAU 2.Enhanced contribution depends on international support 3.Period: 01/01/2021 – 31/12/2030	2010 IPCC 1996 CO ₂ , CH ₄ , N ₂ O	1. JCM registry needed 2. Indication of credit from MM might be useful

Specific rules and guidelines should be developed at each level

