**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Double Counting: Future Proofing Voluntary Carbon Markets post-2020**

**Use case for**

**Carbon Cockpit**

**Version 1.0**

**Prepared by: Gold Standard**

**October 2017**

**Revision History**

|  |  |  |
| --- | --- | --- |
| **Revision No.** | **Date** | **Change Description** |
| 1 | 06 Nov 2017 | Initial |
|  |  |  |

Double Counting: Future proofing Voluntary Carbon Markets post-2020

## Problem statement

Until now only a limited number of developed countries have had binding international emissions targets. This has allowed for voluntary carbon credits to be issued from non-target countries for purchase elsewhere since there is no double counting/claiming risk.

Post-2020 and under the Paris Agreement all countries will have a Nationally Determined Contribution (NDC) Target towards achieving global emissions limits. This will mean that any voluntary carbon credit issued in any country has the potential to be double counted as follows:



The challenge is to develop a tool to track the issuance of a carbon credit and its corresponding adjustment in the respective national inventory and in the overall international accounting.

## Process flow

The following provides a process flow for the tracking of a given emission reduction unit in this context:



## What is expected:

* Business X and UNFCCC should both be able to easily check the decision made by Country A for Carbon Credit 1/Project P and see a copy of the decision made (for transparency/due diligence)
* Upon confirmation of yes or no Carbon Credit 1 may be issued and notified to Host Country A who make adjustment to their national inventory (i.e. they would add 1tCo2e to their inventory).
* UNFCCC should be able to easily and automatically cross check the national inventory of Host Country A with any Carbon Credit issued from Projects within that Country (i.e. that corresponding adjustment has been made)
* By checking the information associated with Carbon Credit 1 it should be easibly seen how the decision was made, how it impacted Host Country A’s report and how this was captured in UNFCCC overall reporting