

# Summary of INDCs/NDCs and Market Mechanism

ASIA PACIFIC REGIONAL WORKSHOP ON INTEGRATING  
MARKET MECHANISMS TO THE IMPLEMENTATION OF  
INDCs/NDCs

Bangkok, 15 February 2016



## Intended nationally determined contributions

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### National blueprints for climate action

- International communication of governments' actions
- Demonstration of leadership in addressing climate change

### COP guidance on INDCs

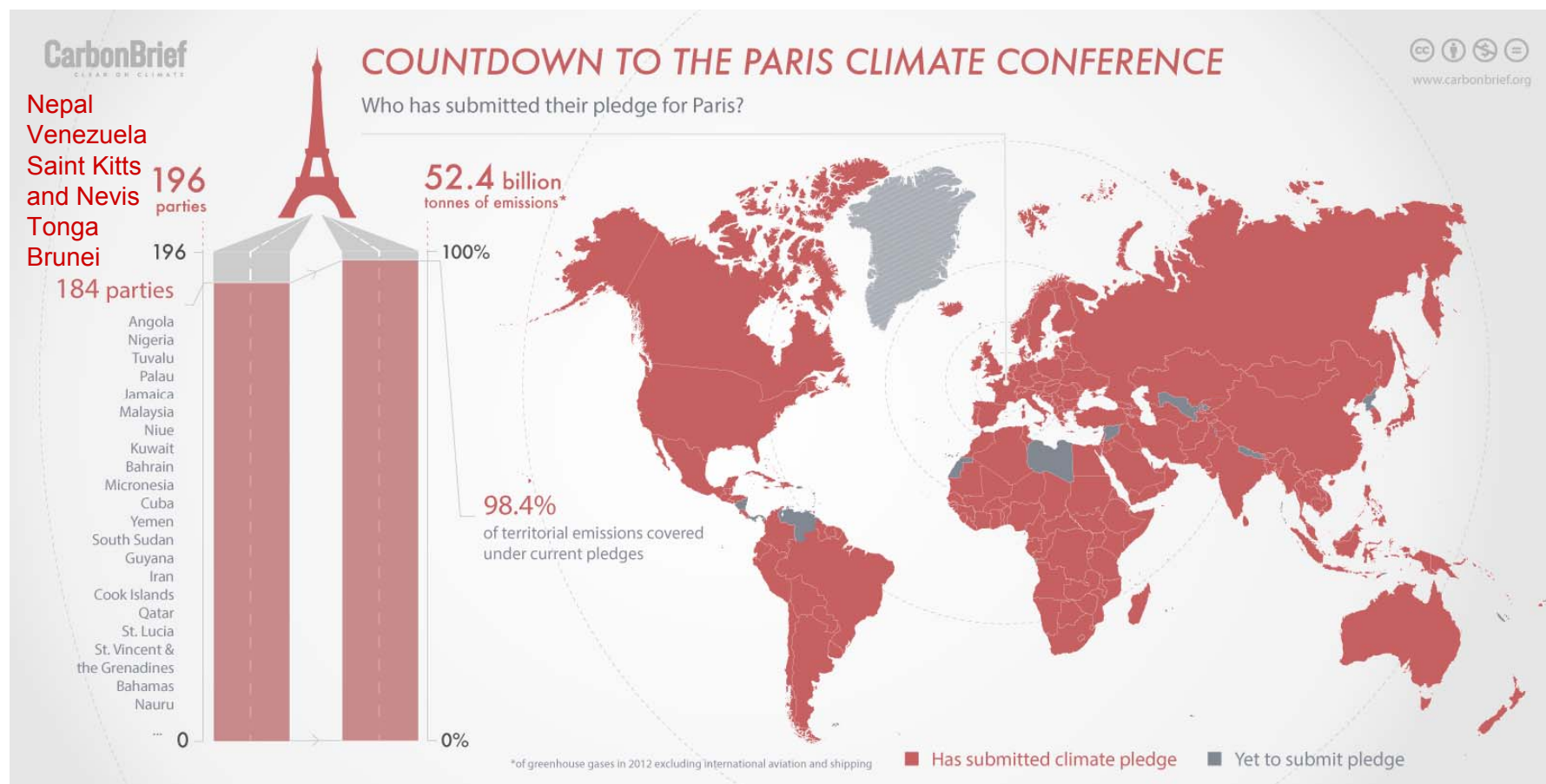
- Country prerogative, reflecting national circumstances, but a progression beyond current undertakings
- All INDCs to address mitigation, optionally to address adaptation

### Possible information to be included

- Quantifiable info with clear reference point
- Timeframes, coverage
- Contribution to Convention objective (fair and ambitious)
- Assumptions and methodological approaches



## INDCs – status (till 14 February 2016)



Source: <http://www.carbonbrief.org/paris-2015-tracking-country-climate-pledges>

## References to market mechanisms in (I)NDCs

Country	Exact text regarding market mechanisms in the (I)NDC:
Bangladesh	<p>“Net contribution of International Market Based Mechanism:</p> <p>Bangladesh does not rule out the use of international market- based mechanisms in line with agreed modalities and accounting rules.”</p>
Bhutan	<p>“Presently, Bhutan offsets 4.4 million tons of CO<sub>2</sub>e through exports of hydroelectricity. In addition, Bhutan can offset up to 22.4 million tons of CO<sub>2</sub>e per year by 2025 in the region through the export of electricity from our clean hydropower projects.”</p> <p>“5. Promote clean renewable energy generation: Pursue sustainable and clean hydropower development with support from CDM or other climate market mechanisms to reduce emissions within Bhutan and the region by exporting surplus electricity “</p>
Cambodia	<p>“The support received will be channeled through bilateral and multilateral mechanisms, including market based mechanisms“</p>
Fiji	<p>In order to achieve rapid and cost efficient mitigation, a combination of robust global market based mechanisms and direct aid transfers will be essential. Achieving our conditional goal will require substantial funding including fully functional bilateral, regional and international market mechanisms such as the Clean Development Mechanism (CDM)</p>



## References to market mechanisms in (I)NDCs

Country	Exact text regarding market mechanisms in the (I)NDC:
Indonesia	“International market mechanisms: Indonesia will meet its unconditional commitments regardless of the existence of international market mechanisms. Indonesia welcomes bilateral, regional and international market mechanisms that facilitate and expedite technology development and transfer, payment for performance, technical cooperation, and access to financial resources to support Indonesia’s climate mitigation and adaptation efforts towards a climate resilient future.”
Lao PDR	“Plan to achieve the goal: The Central Bank of Lao PDR will consider carbon credits and low interest loans as sources of financing for renewable energy projects and activities, agricultural promotion and fuel crops plantation development and projects carried out by small and medium enterprises.” “Plan to achieve the goal: Implementation of the electricity export agreement along with development of a NAMA, and preparedness for future carbon market mechanism.” “Main barriers for implementation: Uncertain or unclear carbon market and mitigation incentives.” “Support required: Financial support and investment in commercial forest carbon projects including financial mechanism, market, technology, calculation and monitoring.”

## References to market mechanisms in (I)NDCs

Country	Exact text regarding market mechanisms in the (I)NDC:
Mongolia	<p>“Those and other potentially more ambitious commitments are contingent upon gaining access to new technologies and sources of finance through internationally agreed mechanisms and instruments under the auspices of the UNFCCC (see Annex A).”</p> <p>“The anticipated financing modalities will be described at a later date, but a substantial private sector share is expected (leveraged by public funds) to be a part of the funding. Mongolia is interested in opportunities to access international climate funds namely the Green Climate Fund and in participation with crediting mechanisms to implement these measures. “</p>
Myanmar	<p>“Myanmar also intends to build its capacity to effectively and efficiently participate in future market based mechanisms.”</p>
Nepal	<p>“f) Provide better price from carbon markets to ensure an equitable benefiting mechanism and maximize benefits at the local level to help sustainable management of forests;</p> <p>g) Sell carbon credits at a better price from its renewable energy programs”</p>

## References to market mechanisms in (I)NDCs

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Country	Exact text regarding market mechanisms in the (I)NDC:
Thailand	“International market mechanisms: Thailand recognizes the important role of market-based mechanisms to enhance the cost effectiveness of mitigation actions, and therefore will continue to explore the potentials of bilateral, regional and international market mechanisms as well as various approaches that can facilitate, expedite and enhance technology development and transfer, capacity building and access to financial resources that support Thailand’s efforts towards achieving sustainable, low-carbon and climate-resilient growth, as appropriate.”

## References to market mechanisms in (I)NDCs

Country	Exact text regarding market mechanisms in the (I)NDC:
Vietnam	<p>“In 2012, the National Green Growth Strategy was approved, which includes mitigation targets and measures; and regulations on linking with international carbon markets.”</p> <p>“As of June 2015, Viet Nam had 254 Clean Development Mechanism (CDM) projects accredited and registered by the CDM Executive Board (EB). Viet Nam is ranked number four internationally for number of projects, with a total GHG reduction amount of approximately 137.4 million tCO<sub>2</sub>e in the credit period. .... To date, more than 12 million Certified Emission Reductions (CERs) credits have been issued by the EB for Viet Nam, which is ranked eleventh in the world.</p> <p>Viet Nam is developing and preparing for the implementation of Nationally Appropriate Mitigation Actions (NAMAs), as well as the registration and implementation of carbon credit projects according to the Verified Carbon Standard (VCS) and the Gold Standard (GS). “</p> <p>“Decision 1775/QĐ-TTg on “Management of GHG emissions; management of carbon credit trading activities to the world market” (11/2012).”</p>



## References to market mechanisms in (I)NDCs

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Country	Exact text regarding market mechanisms in the (I)NDC:
Maldives	No reference to market mechanisms.
Pakistan	No reference to market mechanisms.
Philippines	No reference to market mechanisms.
Sri Lanka	No reference to market mechanisms.
Timor Leste	(I)NDC not yet submitted.

## Overview (I)NDCs

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- Most of the parties have submitted INDCs (189) almost 99.1% of the global emissions in 2010.
- Parties that haven't submitted an INDC – 7 (0.9% share of emissions)
- More than two-third (11 out of 15) of the selected Parties that communicated an (I)NDC made reference to market mechanisms.
- References were made to: market mechanisms in general, international, regional, bilateral, voluntary schemes as well as CDM.
- 3 (I)NDCs referred to CDM, 3 (I)NDCs referred to regional market mechanism, 3 (I)NDCs referred to bilateral mechanisms, 5 (I)NDCs referred to international mechanisms, 6 (I)NDCs referred to market mechanisms in general and 1 (I)NDC to the voluntary market schemes. No specific reference was made to domestic carbon market mechanisms.



## Benefits of market mechanisms

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- a) Increasing the involvement of the private sector in taking climate mitigation actions;
- b) Increasing understanding of climate change/building of capacities of people;
- c) Preparing industries for reporting on emission data;
- d) Increasing cost-effectiveness of mitigation actions;
- e) Facilitating and enhancing technology development and transfer/access to new technologies/technology cooperation;
- f) Increasing investments in GHG mitigation;
- g) Increasing sustainable development and cooperation with other countries;
- h) Facilitating access to financial resources;
- i) Supporting achieving (intended) nationally determined contributions, both conditional and unconditional targets and increasing ambition levels.

# Thank you!

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