INDCs, international crediting mechanisms and Support from RCC St George’s for Caribbean

Caribbean Regional Workshop on INDCs
Santo Domingo, 29 Sept -2 Oct 2015
Overview

- ADP and the road to Paris
- Status of INDC submissions
- Why integrate Crediting Mechanism in Caribbean iNDCCs
- Support from RCC St George’s
ADP and the road to Paris
ADP building a basis for a new text

June session sought to understand content and form

Co-chairs tabled the 24 July negotiating text
- Part 1 – potential content of the Paris Agreement
- Part 2 – potential content of an accompanying decision
- Part 3 – text that could belong to the Paris Agreement or decision

Latest September ADP session
- Considerable progress in all aspects of the negotiations
- Constructive negotiations, with key Parties moving beyond previous positions towards other Parties and positions
- Beginning to reveal a possible balance across the issues
A right to use markets / mechanisms

Many Parties stressed that the right to use markets be included in the Paris Agreement.

Many Parties, particularly developed country Parties, consider they do not need permission to cooperate through markets.

Many Parties support development of rules:
- To govern accounting
- To avoid double counting
- To uphold environmental integrity by ensuring internationally transferred mitigation outcomes are real, permanent, additional and verified
A centralized mechanism

Many Parties, particularly developing country Parties want a centralized mechanism included in the Paris Agreement:
- Governed under the UNFCCC
- Accessible to all Parties
- Building on what has been built under the CDM

Views diverge on the kind of mechanism it would be:
- Reformed CDM
- Joint Mitigation and Adaptation (non-market)
- REDD+ crediting, etc

Many Parties want principles in Paris: contribution to sustainable development, share of proceeds for adaptation, net mitigation, etc
Possible post-Paris work programme elements

Various work elements have been raised
◦ Criteria/process for recognizing nationally-issued units
◦ Modalities and procedures for a new central crediting mechanism, starting from the CDM and maybe other existing mechanisms
◦ Participation/eligibility criteria
◦ Accounting rules (unitization, transfers)
◦ Tracking infrastructure (registries, transaction log)
◦ Provisions for early action

Clarity of tasks will impact on effectiveness of post-Paris work
United Nations Framework Convention on Climate Change

Status of INDC submissions
Regional progress of iNDCCs

Source: UNFCCC secretariat, as at 25 September 2015
Share of emissions covered by INDCs

Source: UNFCCC secretariat, as at 25 September 2015
Type of INDC submissions

Source: UNFCCC secretariat, as at 25 September 2015
Share of iNDC by use of Crediting Instruments

Source: UNFCCC secretariat, as at 25 September 2015
Benefits of integrating international crediting mechanisms in the Caribbean iNDIC statements
Benefits from integrating international crediting mechanisms into iNDCs from SIDS

- Sends a clear signal that SIDS support the use post 2020 of market mechanisms like a reformed CDM.
  - Clear eligibility criteria
  - KP-like transparency and accounting rules
  - Achieves net mitigation benefits
  - Share of proceeds to adaptation funding for developing countries
  - Supplemental
Crediting Mechanisms from Caribbean Perspective

- Allows Caribbean countries to submit ambitious but conditional iNDCs that have the potential to transform their economies from being dependent upon imported fossil fuels.

- iNDCs from Caribbean countries should emphasise the economic and sustainable development co-benefits that could be derived from the decarbonisation of their economies.

source: Prof. Hugh Sealy: AoSIS
Crediting Mechanisms from Caribbean Perspective

• Takes advantage of the significant differences in mitigation costs (cost to reduce a tonne of CO$_{2e}$) between some developed and developing countries.

• Tradable permits establish a price for carbon and harness the power of market forces.

• Can be a significant source of potential capital for small islands.

source : Prof. Hugh Sealy : AoSIS
Integration of the CDM with other programmes

Not just about individual instruments anymore (like under the KP); rather about how they can work together and complement each other

- Link countries together
- Link mechanisms together
- Link CDM to domestic policy instruments (taxes, trading)
- Link CDM/JI to new forms of climate finance – role for CDM in providing activities and MRV to GCF
Realignment of regional distribution through POAs

% comparison of regional distribution of pCDM and CDM

<table>
<thead>
<tr>
<th>Region</th>
<th>pCDM</th>
<th>CDM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latin America</td>
<td>16%</td>
<td>13%</td>
</tr>
<tr>
<td>Asia &amp; Pacific</td>
<td>49%</td>
<td>82%</td>
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<td>Europe &amp; Central Asia</td>
<td>1%</td>
<td>1.0%</td>
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<tr>
<td>Africa</td>
<td>32%</td>
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<td>Middle-East</td>
<td>2%</td>
<td>1.3%</td>
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<tr>
<td>LDCs</td>
<td>18%</td>
<td>1.4%</td>
</tr>
</tbody>
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Source: UNEP/DTU POA Pipeline
Long-term implementation of INDCs, Support from RCC St George’s for the Caribbean
RCCs offer support in the Caribbean, on the ground

- **Identification** of mitigation opportunities/sectors suitable for support through the CDM and/or other mechanisms
- **Estimation of BAU** scenarios and impacts of the interventions
- **Linkage** of mitigation measures to adaptation and sustainable development benefits
- Definition of unconditional/conditional elements of INDCs and what forms of international support are available and suitable
- **Overall integration in country-wide measures and strategies**
Thank you for your attention

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