

Carbon Market Challenges and Chances on the Road to Paris and Beyond

Parlamentarischer Nachmittag

Internationale Zertifikate und Märkte für den Klimaschutz

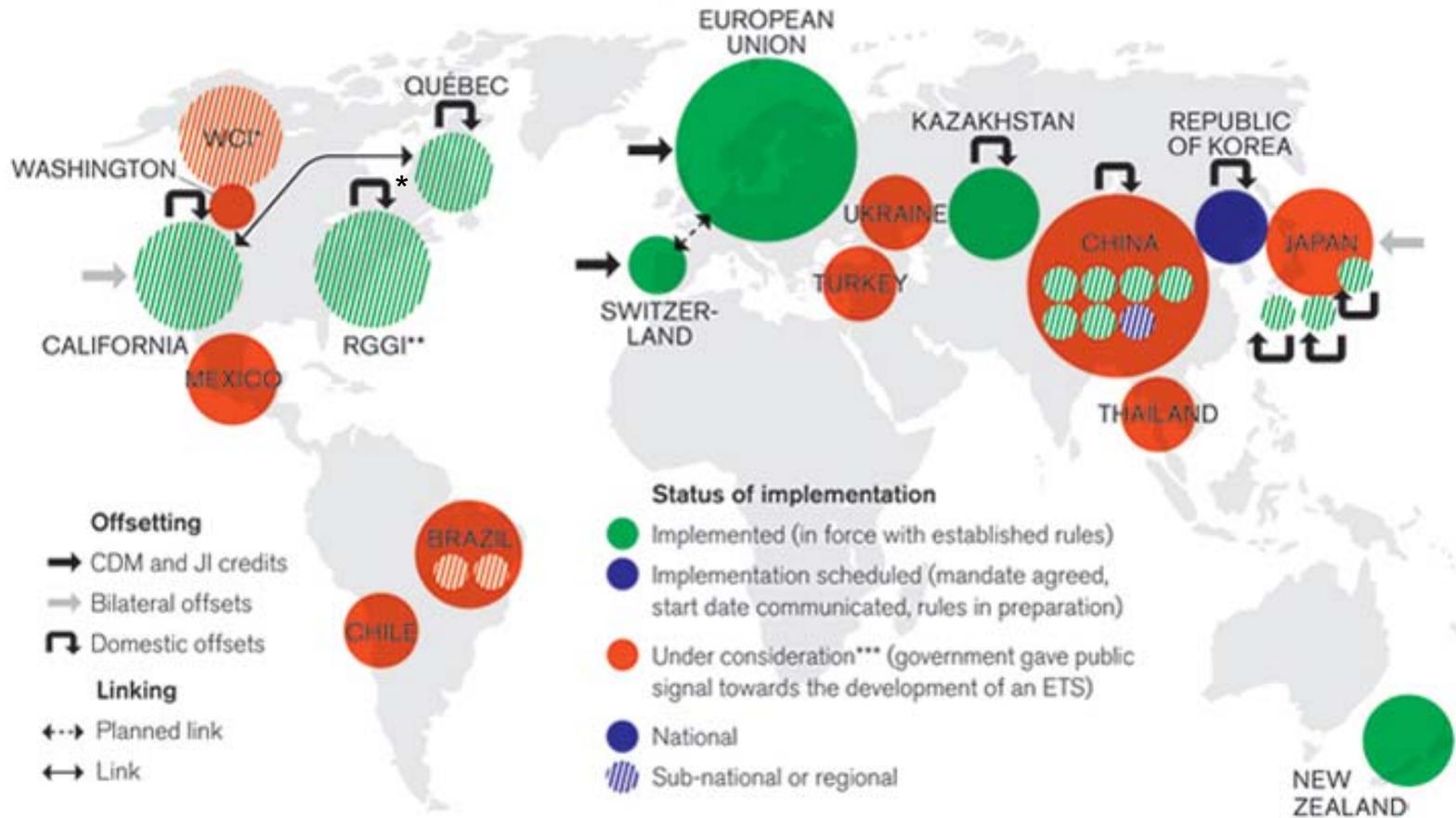
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UNFCCC Secretariat, Sustainable Development Mechanisms

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Existing and emerging trading systems



* = plus Ontario

World Bank, 1 Dec. 2014



Principles agreed to date

- Standards that deliver **real, permanent, additional** and **verified mitigation**
- Markets must **avoid double counting** of effort
- Markets must **achieve net decrease and/or avoidance** of emissions
- All countries, **individually or jointly**, may **develop and implement markets**
- Markets **facilitate increased mitigation ambition**, particularly by developed countries
- **Bear in mind different circumstances** of developed and developing countries



Emerging architecture

- Parties have agreed to elaborate a **framework**
 - Purpose of this framework?
 - Which markets will it cover?
 - Quality control → how to assess what these markets achieve?
 - Quantity control → how to ensure achievements are not double-counted?
 - Institutional arrangements?
- Parties have also agreed to elaborate a **new mechanism**



Prospects for Paris on markets

- Agreement
 - Possible text clarifying relationship between use of markets and fulfilling contributions
 - Possible text stating what market mechanisms can be used and under what conditions
 - Possible text affirming principles agreed to date (and others?)
- Decisions
 - Technical work programme for operationalizing what is agreed
 - Possible elaboration of guidance for work programme: what issues are to be addressed
 - Possible consolidation of various agenda items on markets



Thank you!

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