Potential of the CDM now and in enhancing post-2020 ambition

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Mitigation action needed for limiting warming to 2°C

- 40 to 70% emission reduction by 2050
- Emissions levels near zero CO₂eq or below in 2100

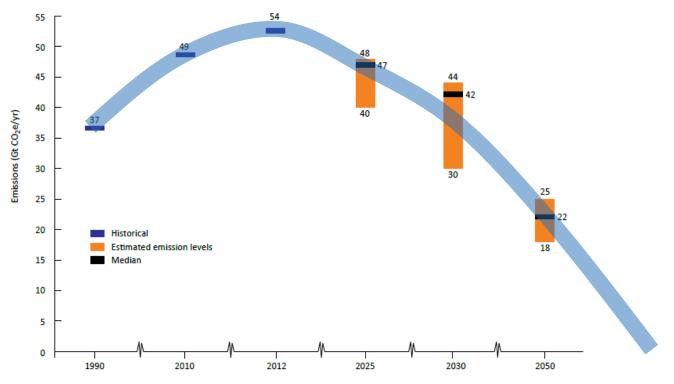


Figure ES.2: Emission levels consistent with the 2 °C target



Pre-2020 2020 pledges and NAMAs use a variety of mechanisms to reduce (i.e. JI, CDM, ETS, domestic mechanisms)

Commitments so far are insufficient for the 2°C goal

Post-2020 Mechanisms can be key in any future climate-action framework, given their sustainable development benefits, cost effectiveness and mobilisation of the private sector

Potential forms: international and domestic markets, linkages to climate finance, use in national policy



Substantial mitigation before 2020 still needed for the 2°C goal

Reductions of at least 20 billion tCO2e before 2020 (UNEP emissions gap report 2014)

Cost-effectiveness is a priority

Early actions by developing countries may contribute to enhancing their pre-2020 mitigation action

- Make use of low cost abatement opportunities
- Pre-2020 lost opportunities will raise post-2020 costs



Expand emission reductions made through the CDM

- National and institutional funds to finance CDM projects
- Integration of the CDM in national trading and tax policies
- Strong CDM pipeline remains in place

Voluntary cancellation of CERs

- ADP invitation in Warsaw to enhance pre-2020 mitigation
- Prevents further use/transfer and stops double counting
- Opens the way to more uses of the CDM in climate finance

Recognize the contribution of early action

- Certainty that pre-2020 reductions are valuable post-2020
- Strong signal to the private sector to remain engaged



Many calls for the CDM as the basis for a central crediting mechanism under the Paris Agreement

- Means to allow international oversight and equal access
- Could apply to host environments with both uncapped and capped emissions (with appropriate accounting)
- Benchmark for other crediting systems?

Investing in other countries allows governments to undertake mitigation beyond their domestic contributions

- Can expand the scope of emissions reductions
- Lower cost/effort than using only domestic efforts
- A platform for ramping up mitigation ambition over time



Strong commitment to a long-term international policy mechanism

- An evolved and improved mechanism
- CDM has the supply, and access to more
- CDM has the methodologies, processes and systems
- Voluntary cancellation deals with integration and double counting
- Host governments may specify their own project criteria
- Global legitimacy and acceptance

Fast mobilization and conversion of finance into verified outcomes

We need ambition to close the gap!

