

## How Market mechanisms & CDM can be used to contribute to the post-2020 mitigation actions

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### **Outline**



- A Sectoral Paradigm Shift
- CDM as an Enabler for Growth and Development
- A Global Initiative to Promote a Paradigm Shift



## **A Sectoral Paradigm Shift**

### **New Thinking for Green Growth**



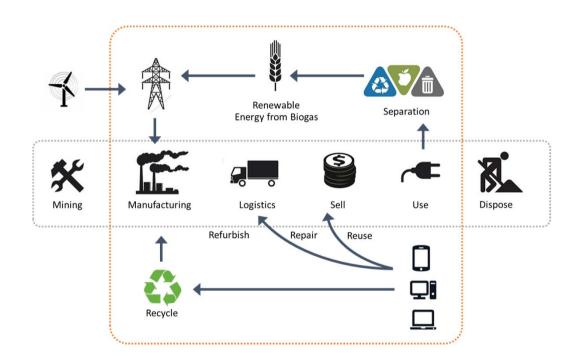
The world is seeing several new "green" concepts and ideas that will see a push towards Green Growth:

- Circular Economy
- Green Cities
- Internet of Things (IoT)

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### **Circular Economy**





### **Linear vs Circular Economy**

Take-Make-Waste economy to a more inclusive "Circular" Economy

- A new paradigm for inclusive green growth, restorative by intention and design.
- Aims at reducing both inputs (resources) and outputs (waste and emissions).

## Circular Economy in the Context of the Developing World





#### **Social Inclusion:**

One can **access goods** for all since 'accessing goods' no longer require owning them, this would free up financial means for other services and thus have a positive impact on poverty eradication.





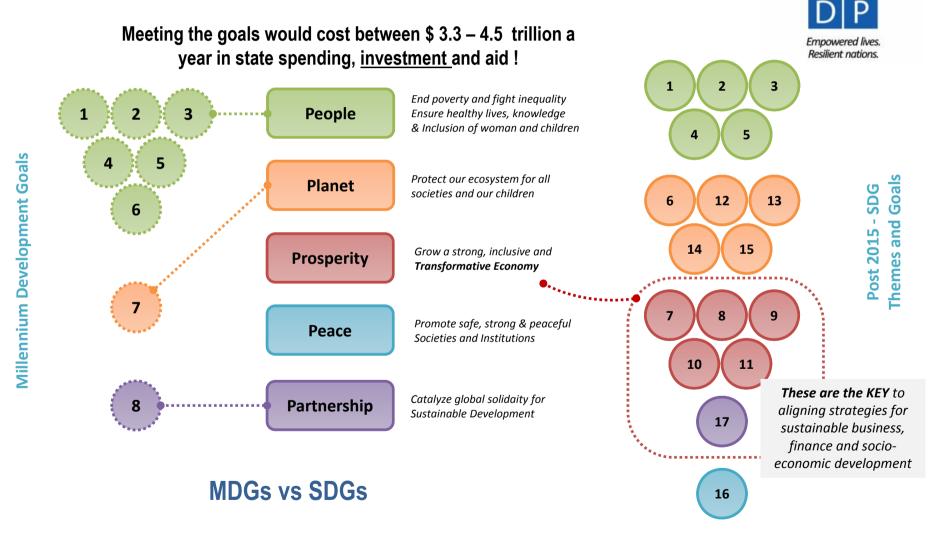
One can **access more with less** since even with low income a descent life can still be possible, this would create less dependency on financial credit, thus less indebtedness;

#### **Sustainable Development:**



One can **access secured income** since a Circular Economy could lead to jobs, micro-jobs and micro-tasks that do not exist yet, together with the adapted tax shift, labour becomes this endless renewable resource with jobs easier to create and sustain.

# Post 2015 - SDGs: The 21<sup>st</sup> Century Framework for Doing Business

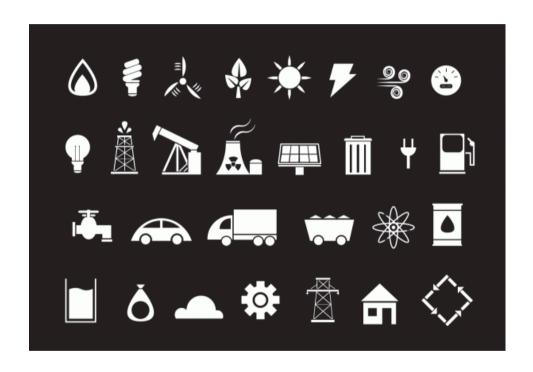




## **CDM** as an Enabler for Growth and Development

### **Audience Feedback:**





How can local industries participate in driving towards a Green Economy?

### CDM as an Enabler for Growth & Dev



- Leveraged significant private sector financing of scaled-up mitigation actions;
- Generated large volumes of mitigated tonnes CO2eq;
- Robust GHG accounting and monitoring standards that allow for accurate, transparent and robust and globally comparable MRV of scaled-up mitigation actions;
- CDM EB and the UNFCCC secretariat have made tremendous progress in streamlining
  the CDM, simplifying its standards and procedures, such as standardized baselines and
  CDM methodologies with default factors;
- No re-inventing the wheel on MRV tools under any other systems be it under the
  UNFCCC to avoid many years' efforts which countries do not have while they suffer from
  the growing impacts of the climate change.



## A Global Initiative to Promote a Paradigm Shift

## **Assisting Countries to achieve Transformative Change**



#### Support the development of policies that help drive:

- **Eco-efficiency in all its forms**: Slashing energy and material use in production, packaging, distribution and business operations, as well as redesigning products and encouraging customers to participate in activities such as 'Share and 'Recycle' schemes;
- **Using renewable energy**: Either investing in energy-generating assets or signing long-term power purchasing agreements for renewable electricity;
- **Supply Chain**: Ensure that the supply chain is working on ecoefficiency and renewable energy;

## **Taking Action**



In this context, a global **Low Carbon Development Support Initiative** is proposed with the intend:

- 1. Support countries to establish an enabling policy environment for inclusive green growth, through unconditional upfront financed tailored capacity development support;
- 2. Establish a **dedicated fund** to kick start **transformational change**:
  - (ii) promote circular economy for a reasonable carbon price per tonne CO2eq,
  - (iii) utilize the **evolving CDM infrastructure** especially the standardized baselines and methodologies with default factors;
  - (v) **payment** for ERs **upon delivery** (output based aid principle);





The benefits of such an initiative:

- (i) Private sector will take the lead majority of investment from private sector;
- (ii) careful utilization of international public money: payments upon delivery of concrete results;
- (iii) donor support will be provided in a **transparent and fully accountable** way MRV able ERs.
- (iv) participating industry will receive the required financial incentive for investment in circular economy which will eventually lead to a sectoral paradigm shift.
- (v) participating **developing countries** could consider deviation from BAU under their **conditional INDCs**.



## Thank you!

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