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



This is:

a) a huge domestic problem
b) a potential mitigation action
c) an opportunity to collaborate

Line Ministries are driven to take action that address key domestic objectives.

(which climate people refer to as "co-benefits")

The reality is that the mitigation benefit is the real "cobenefit".

We know from experience that CDM and NMM can be designed to promote co-benefit rich mitigation actions.

CDM and NMM shall catalyze such actions, creating win/win outcomes = integration of climate & development policies and incentive frameworks.

a) job creation
b) bio-compost, alternative fuel
c) creating a GHG mitigation impact

This is:

### For example, per one ton of GHG Emission Reduction, currently worth less than 1 USD/ton, a waste recycling project creates:

Co-benefit	Туре	Value (US\$)		
		Bangladesh	Sri Lanka	Viet Nam
Job creation: additional income for waste-pickers employed in the compost plant	Social/Economic – Public/Private	7.53	6.00	N/A(*)
Cost savings for the municipality for avoided landfilling of waste	Economic – Public	23.36	14.37	17.42
Savings in use of chemical fertilizer (25% reduction)	Economic/Environmental – Private/Public	9.71	2.26	16.87
Savings in subsidy to chemical fertilizer	Economic – Public	4.13	5.48	N/A(**)
Increase in crop yields (***)	Economic – Private/Public	49.09	43.05	93.42
Total		93.82	71.16	127.71

### Conclusion #1.

CDM and NMM shall catalyze mitigation actions that create win/win outcomes for climate & development relevant objectives.

Related policies and incentive frameworks need to be integrated.

NAMA within INDC framework provide a suitable organizational framework for such integration (and inter-ministerial cooperation)

## This is:

a) the port of Singapore
b) intra-ASEAN commodities trading
c) GHG emissions trading in ASEAN

### NMM design is driven by domestic objectives.

But harmonization should be considered from the beginning. WHY: Asia is already trading GHG emissions: 25% of its trade is intra-Asia/ASEAN.

Rice from Thailand exported to China increases Thailand's carbon footprint and reduces China's.

Hydro power from Laos and used in Thailand reduces Thailand's carbon footprint, .....

To ensure fairness, a common carbon price signal is needed, based on harmonized design for NMM.

### This is:

Ball & Number

a) the UN Climate Negotiations
b) an opportunity to harmonize rules on market mechanisms
c) a chance to collaborate and accelerate the transition to a sustainable globa community

The UN climate process is a venue created for the purpose of facilitating harmonization of rules and catalyzing collaboration.

Countries are invited to bring forward their national initiatives and seek out opportunities for collaboration.

NMM are frameworks to organize such collaboration: financial support, technology (that deliver economic benefits and climate benefits) for measurable impact.

NMM could be a key driver for (domestic) early action and serve as organizing framework for domestic and international collaboration.

# HReady For 2020

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