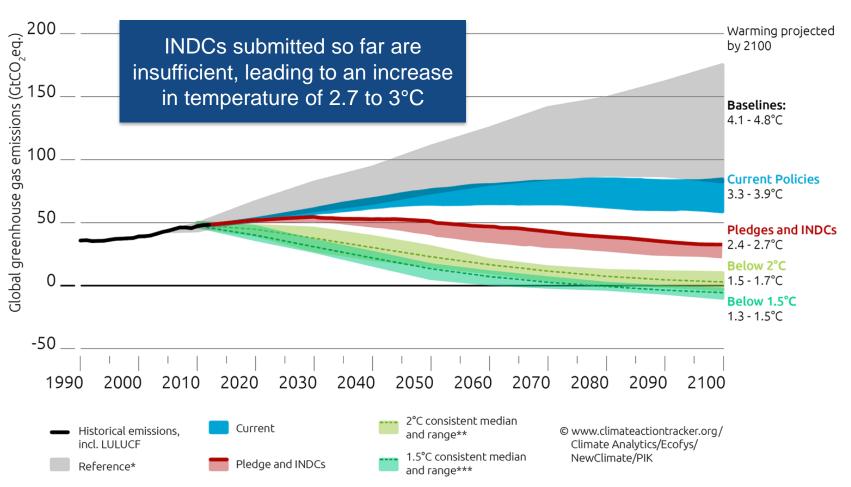


The need for higher ambition



Effect of current pledges and policies on global temperature

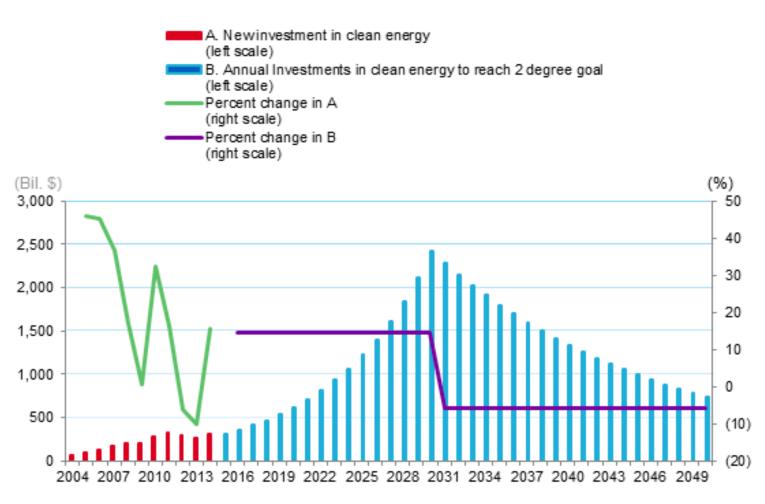


Source: Climate Action Tracker

The need for private sector engagement



Required investment in clean energy needed to meet 2°C goal



Source: RepuTEx, Bloomberg New Energy Finance, international Energy Agency. Global Credit Portal

The case for market-based instruments

The 2°C target cannot be met without private sector involvement

 Market-based instruments (such as the CDM) are crucial tools for private sector engagement and offer great opportunities to reduce mitigation costs and raise ambition

➤ International carbon markets can **reduce the costs** of delivering emission reductions identified in current INDCs by about 33% by 2030 or 50% by 2050

(Source: State and Trends of Carbon Pricing 2016, World Bank)

What the CDM has to offer



- Most successful results-based instrument to date; very successful in terms of private sector mobilisation
- 16 years of learning by doing and constant improvements
- Largest (yet declining) pool of expertise worldwide for carbon offsets
- Robust mechanism for measurement, reporting and verification/certification of emission reductions
- Ready for growth and scaled-up mitigation action (also at a sectoral level): combination of standardised baselines and programmatic approach

Universal needs (pre/post 2020)



- Continuous operation of the CDM despite lower activity levels
- Further development of Standardised Baselines and respective framework

Nice to have's:

- Harmonisation of assessments of Sustainable Development in DNA approval process (e.g. SD Tool, alignment with SDGs?)
- Harmonisation and digitisation of DNA approval process alongside efforts at UNFCCC/CDM EB level

Needs related to future of the CDM



- Role of the CDM under the Paris Agreement?
 - Transition from CDM to (new?) Article 6.4 mechanism? Recognition of early action?
 - Use of the CDM (or parts of it) under Article 6.2 (e.g. credited NAMAs)?
 - Role of the CDM under Article 6.8 (e.g. Results-based Finance)?
 - Use of the CDM in the context of national offset schemes?
 - CDM in the context of "net mitigation" and higher ambition?
 - Distinction of potential contribution of a CDM project to conditional or unconditional part of NDC?
 - Accounting issues and avoidance of double counting?
- Role of the CDM in the context CORSIA?
- Role of the CDM in the context voluntary markets?

PROJECT DEVELOPER FORUM

Many thanks!

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