



Update on status of negotiations: future mechanisms

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Shared objectives for the market

- Parties have declared support for the market
 - continuation of emissions trading, CDM and JI beyond 2012
 - expand the mechanisms and move towards a global market
- International agreement backed by national/regional schemes
- Use market to mobilize finance and technology for developing countries and provide incentives for mitigating their emissions
- The need for environmental integrity remains strong
- International markets should complement domestic efforts

Potential CDM directions

- Increasing the scope of CDM projects (forestry, CCS, nuclear)
- Broadening of activities to reflect the NAMAs concept
- Changing the rules for forestry projects
- Standardized, multi-project baselines
- Positive/negative lists for additionality
- Measures to enhance contribution to sustainable development
- Measures to improve the regional distribution of CDM projects

Nothing is yet agreed!

Potential JI directions

- Increasing the scope of JI projects (nuclear)
- Measures to promote co-benefits
- Question of whether CDM projects should become JI projects if a developing country takes an emissions commitment

Nothing is yet agreed!

A NAMAs perspective

Nationally appropriate mitigation actions (developing countries)

- Possibly integrated into “low carbon development strategies”
- Wide range of types of activities (including reducing emissions from deforestation and degradation (REDD))
- Could be addressed through crediting or trading
- Sectoral crediting and trading proposals are prominent
 - thresholds and targets set below BAU levels
 - eligibility requirements for monitoring reporting and verification (MRV)
- NAMAs and support measures recorded in a “registry”

Nothing is yet agreed!

Other options

- Banking of credits from one commitment period to the next
- Borrowing of credits from future commitment periods
- Extending share of proceeds to JI and International Emissions Trading (and what %) to assist with adaptation efforts

Nature of ongoing discussions

Need to resolve bigger issues (overall numbers, ability to use offsets) before more granular questions about mechanisms

Bigger issues might not be resolved until Copenhagen

Ongoing mechanisms negotiations are about refining proposals in readiness for Copenhagen

Thank you.