

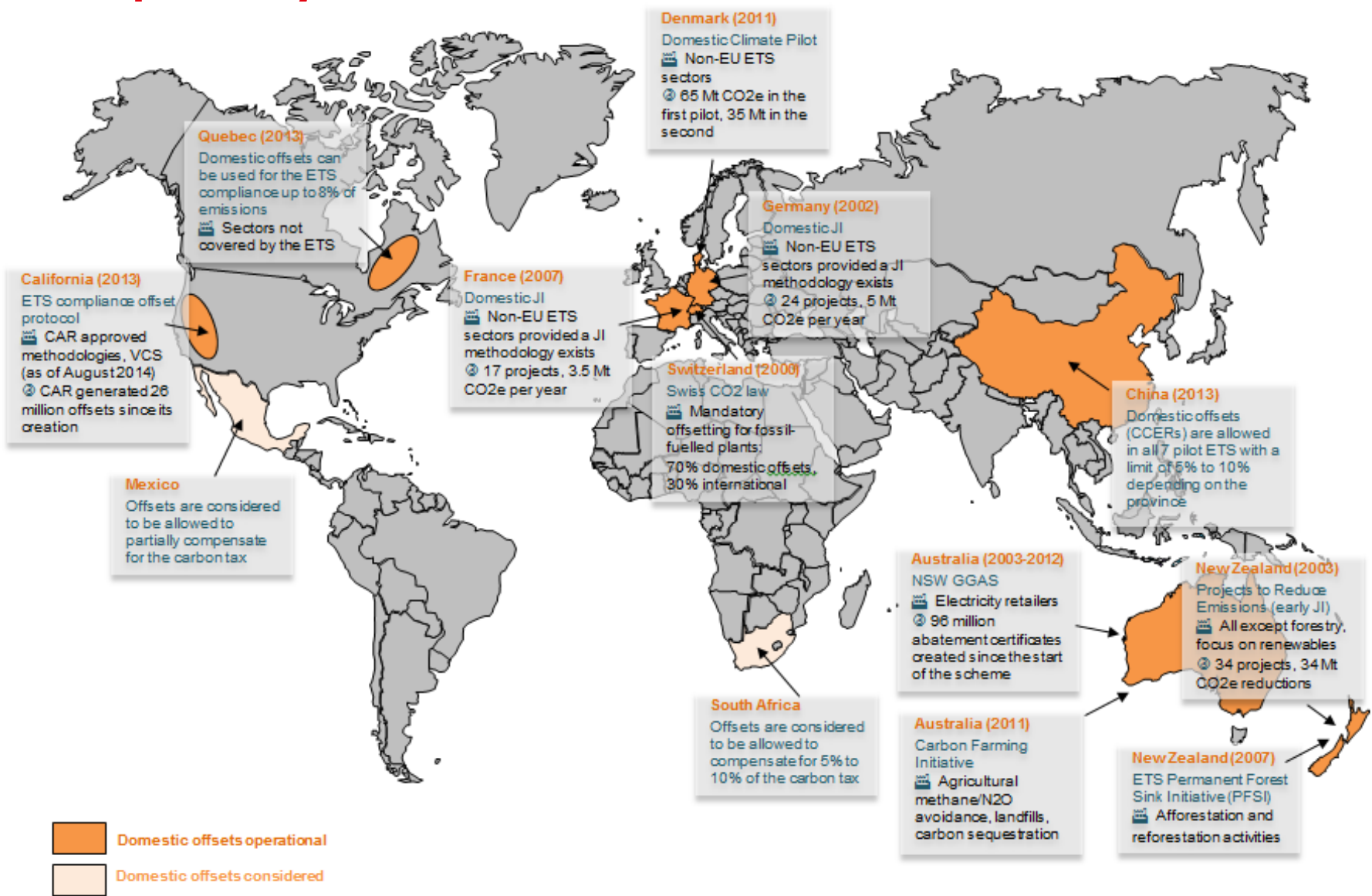


# **How a crediting mechanism can assist countries in their INDCs**

**Three lessons from the experience with the design and operation of Joint Implementation**

**Benoit Leguet**  
**Member – JISC / Managing Director - I4CE**

# I4CE | Domestic crediting mechanisms are a policy tool



# Lesson 1: JI is a flexible policy tool

## Industry (e.g. Russia)



## Agriculture (e.g. France)

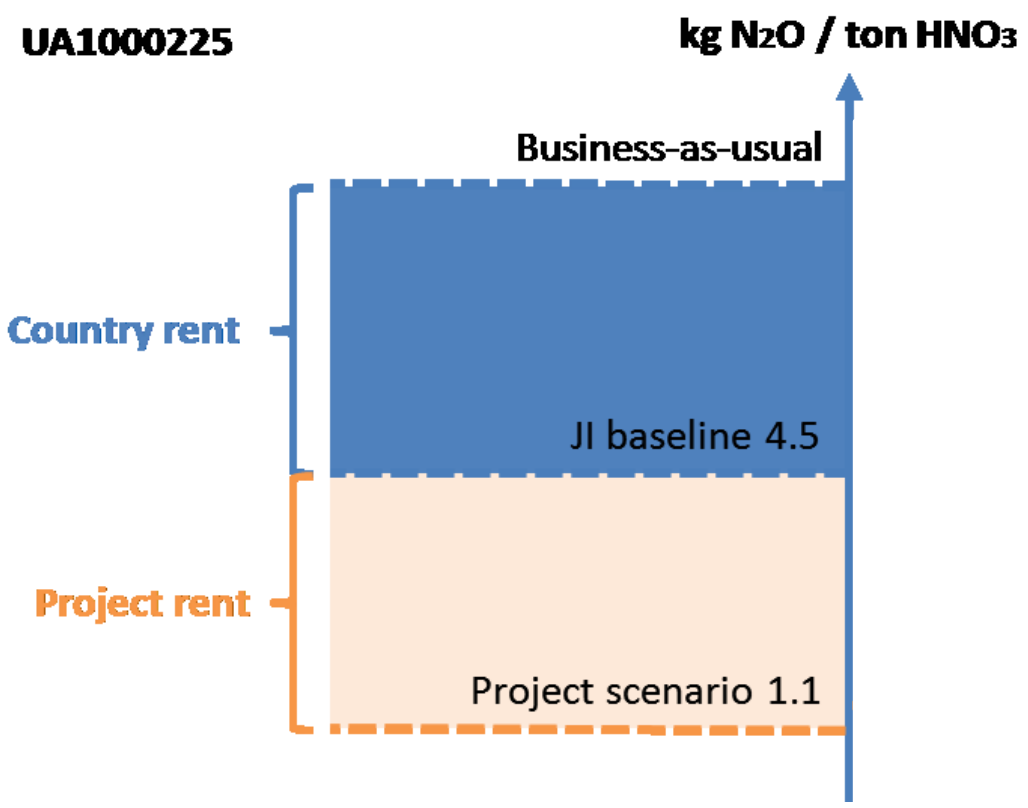


## Households (e.g. Germany)



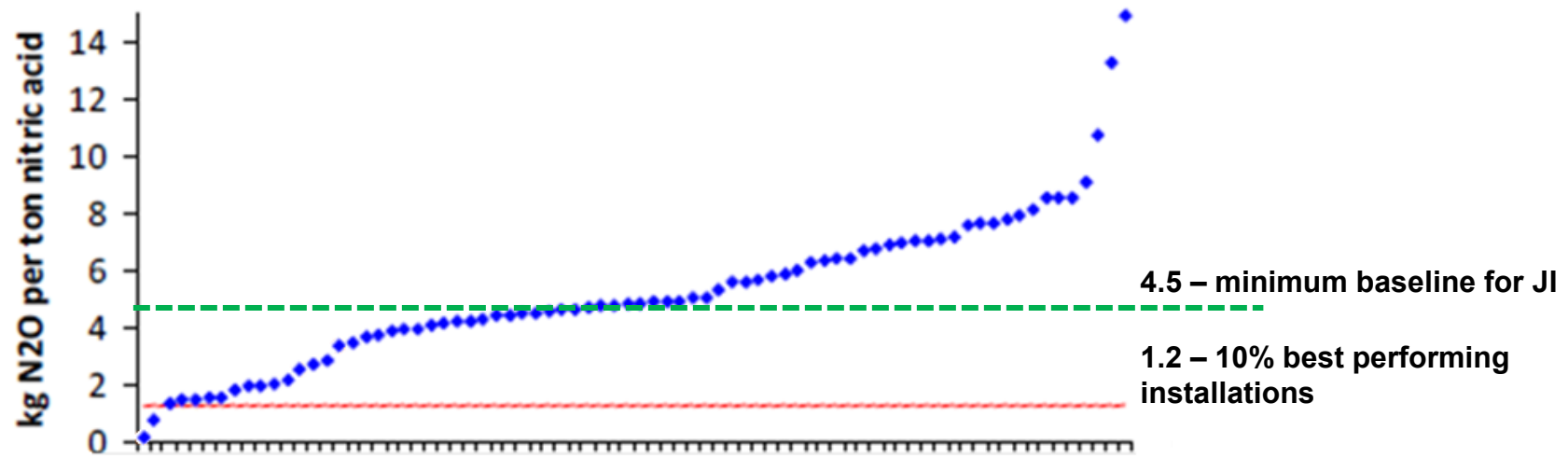
**And many others...**

# Lesson 2: JI helps Parties comply (static)



# Lesson 3: JI can set new standards (dynamic) and help raise ambition

- HNO<sub>3</sub> (fertilizer) production : “search function” of JI
- Sector included in the EU ETS in 2013
  - Benchmark setting thanks to top-performing JI projects
  - 83 EU installations producing nitric acid, 42 of which were JI projects



# ICCE | Domestic crediting mechanisms in the post-2020 regime

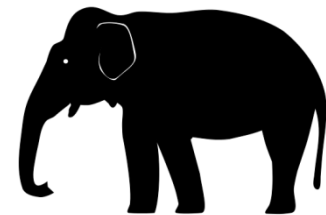
## ■ **JI and JI-like tools today: small**

- Compared to the CDM
- Compared to their potential



## ■ **Crediting mechanisms under an INDC tomorrow: big**

- Crediting mechanism under a GHG trajectory
- Likely to grow (INDCs, unilateral or bilateral agreements)
- Discussion of domestic crediting mechanisms in the EU ETS (see the [discussion paper](#) from Climate Strategies)



**Thank you**

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# Lesson 4: international oversight may be necessary... for JI and other policies!

- **If:**
  - INDCs are “lax” compared to BAU, AND
  - Possibility for exchanging “mitigation outcomes”
- **Then:**
  - Need for international oversight
- **But:**
  - This result is independent of the domestic policy choices (JI / Domestic crediting mechanisms vs. other domestic policies)