



Market mechanisms post-2012

Issues for discussion

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Scaling-up mitigation with market mechanisms



- From projects to NAMAs, “broad segments of the economy”
 - ◆ National ownership and discretion
 - ◆ Adequacy of market mechanisms
 - ◆ New approach to emissions measurement, reporting and verification
- From ‘business-as-usual’ to “net decrease of global [...] emissions” – making baselines a political matter?
 - ◆ Baselines vis-à-vis pledges
 - ◆ Process? Two ends of the spectrum
 - CDM (Art. 12) – DNA, EB, methodology panel, verification by selected certifiers, issuance by EB
 - Emissions Trading (Art.17) – AAUs and eligibility requirements
- **Uncertainty on both supply and demand ...**
 - ◆ but growing interest in (GHG) trading systems for domestic goals



Technical issues for discussion



- **Offsets & accounting frameworks**
 - ◆ Role of the UNFCCC under various policy scenarios (Kyoto *vs* fragmentation)
- **Baselines**
 - ◆ Robust historical data, choice of metrics, managing future uncertainties in emerging economies
- **Market readiness**
 - ◆ How to reconcile demand-driven capacity building efforts with the need for some international coordination?
- **MRV**
 - ◆ E.g. international carbon market and finance
 - ◆ Specific MRV for subnational market approaches
- **Current experience with ET systems**
 - ◆ Sub-national systems, transition issues (e.g. competitiveness)