

Elaborating the “framework for various approaches” under the UNFCCC

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Durban Platform and the FVA



A more ambitious, enforceable, robust and inclusive "protocol, another legal instrument or an agreed outcome" will lead to a FVA in which the **mitigation outcomes used for UNFCCC compliance** would need to follow rigorous standards for monitoring, reporting and verification (MRV), and could be traded internationally

A less ambitious, enforceable, robust and inclusive "protocol, another legal instrument or an agreed outcome" will lead to a FVA in which the **mitigation outcomes are just monitored and reported** (information sharing), not necessarily verified, and would not be officially traded internationally under the UNFCCC

"compliance/trade nature"

"reporting/sharing nature"

FVA key elements

FVA/elements	<i>"Reporting/sharing model"</i>	<i>"Compliance/trade model"</i>
Focus	Non-market-based approaches	Market-based approaches
Compliance	Mitigation outcomes may be used for domestic compliance purpose, with UNFCCC serving as a information sharing <i>hub</i>	Mitigation outcomes will be used for international compliance purpose under the UNFCCC
Recognition by the UNFCCC	Mitigation outcomes could be recognised by UNFCCC; based on general principles and guidelines; for comparability and transparency purposes	Mitigation outcomes shall be recognised by UNFCCC; based on approved standards, methodologies and procedures; before used for compliance and trade purposes
Assurance of environmental integrity	Based on general principles, guidelines and national circumstances	Past experience of the CDM could be used as a basis for development and approval of common standards, methodologies and procedures
International trade	Among countries, through bilateral links, with UNFCCC serving as a information sharing <i>hub</i>	Allowed under a UNFCCC global climate regime, with UNFCCC governance
Institutional arrangements	Based on existent arrangements and bodies, e.g.: GHG reporting and review, IAR, IAC, e.g. Climate Change Information Network – CC:iNet	Based on existent arrangements and bodies, e.g.: CDM EB and its supporting structure, Compliance Committee

Step-wise approach

- First a **reporting/sharing model** will be established with the aim of comparability and better understanding of the different national circumstances. In this stage, trade of mitigation outcomes could happen at a national level (or through bilateral agreements) guided by general principles (for the period 2013-2020)
- At a latter stage, a **compliance/trade model** could be implemented to allow full trade of mitigation outcomes among Parties for UNFCCC compliance purpose (post-2020)

Conclusions

- Advances in the negotiation of the **Durban Platform** will be essential to better define the purpose, scope and other elements of the FVA
- There is already good reporting/review structures and experience in assessing national and project-level mitigation outcomes that could be used as a basis for developing M&P for verifying if the mitigation outcome from the FVA could be considered real, additional and permanent (whether or not resulting units are then traded internationally);
- All of the human capital, experience gained and institutional arrangements created for the CDM could be adapted for verifying if the mitigation outcome (to be traded) from the FVA could be considered real, additional and permanent;
- The issue of “permanence” is mostly relevant only to land-use sector mitigation outcomes.

Questions

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