

What do carbon markets bring?

- ► Carbon markets allow nations to meet their mitigation targets in a flexible and cost-effective manner → <u>should</u> allow for more ambitious mitigation targets
- 1 billion CERs issued. US\$3.6 billion in savings for Annex I.
- In developing countries, CDM has built capacity to realize the potential for mitigation in nationally appropriate ways

CDM has mobilised significant private sector investments – at least US\$215 billion

CDM Reform

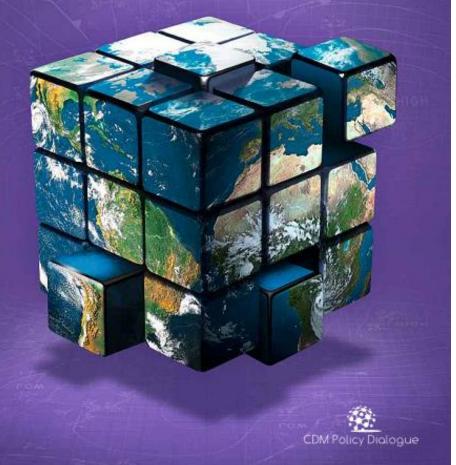
Concerns over:

- Environmental integrity
- Effectiveness of processes

governance

CLIMATE CHANGE, CARBON MARKETS AND THE CDM: A CALL TO ACTION

Report of the High-Level Panel on the CDM Policy Dialogue



Outcome of the CDM Policy Dialogue

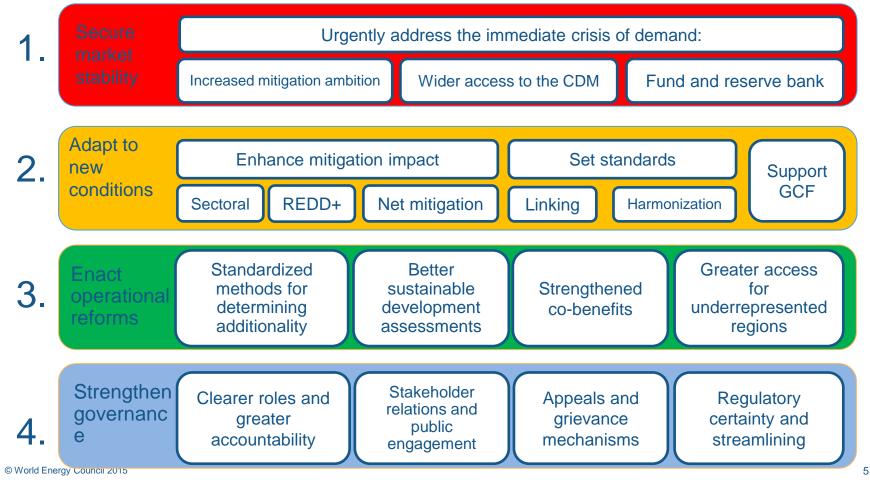
The full report is available at:

www.cdmpolicydialogue.org

All supporting research and consultation reports will be available at the same web site from end of September

Summary of recommendations

The Panel has made **51 recommendations across 12 areas** to address the crisis in international carbon markets and to make the CDM fit for the future



Set robust standards to enable linking and harmonization

- Develop standards that anticipate the needs of emerging market-based mechanisms.
- Collaborate with other market-based mechanisms around common functions
- Ensure comparability among standards across marketbased mechanisms
- Establish a common registry function that tracks mitigation outcomes effectively and avoids double counting
- Improve regulatory engagement and outreach efforts

Support the rapid implementation of the Green Climate Fund

- Promote use of CDM standards and methodologies in accounting for payments for verified results.
- Apply the standards and methodologies developed under the CDM as a way to facilitate the implementation of mitigation activities supported by GCF.

A Paris deal to encourage linking

- Minimum standards to ensure environmental integrity
- Reporting and recording via international and national registries
- Common definitions and default or model rules
- Linkage rules to be outside core agreement
- Provision that countries may transfer portions of their INDCs to others for use in compliance

Conclusions

Linkage in everyone's interests – including business

Lear from/builds on CDM experience

Depoliticise implementation

