

COP 20 side event

Tuesday, 2nd December 2014, 10:30-12:00h, EU Pavilion, Lima, Peru

Approaches to lift sectoral mitigation potential with markets in transition

The Event

This event presents research insights from assessing opportunities towards piloting sectoral market mechanisms based on bilateral agreements. It will present concepts for credited reference levels based on benchmarks for Chile's electricity sector and South Africa's low-income buildings sector. Pathways will be discussed for implementation and integration in national and international policies and mechanisms. In order to ensure immediate use and to prevent further fragmentation of the international carbon market, the research aims for the continued use of CDM tools and will also take into account its compatibility with the pre-defined pillars of a New Market Mechanism (NMM). The event will furthermore give insights in the current status of CDM projects in times of low certificate prices.

Background

The international carbon market is in a state of transition, moving away from project-based carbon market mechanisms like the Clean Development Mechanism (CDM) towards new international mechanisms which have yet to be defined. The poor demand for carbon credits and the uncertainty surrounding the design of a NMM hinders the initiation of new reduction activities in developing countries via the carbon market. In this current phase, bilateral agreements could provide a basis to allow immediate implementation of pilot projects which would allow practical experience to be gained with sectoral approaches and also contribute towards the design process for an NMM.

Speakers:

- » Carsten Warnecke *NewClimate Institute*
- » Hanna Fekete *NewClimate Institute*
- » Martin Hession *EU Commission*
- » Andrés Pirazzoli *Ministry of the Environment Chile*
- » Camilo Rojas *CAF Colombia*

Moderator:

- » Frank Wolke, German Emissions Trading Authority (DEHSt), CDM Executive Board member



About NewClimate Institute

NewClimate Institute supports research and implementation of action against climate change around the globe. We generate and share knowledge on international climate negotiations, tracking climate action, climate and development, climate finance and carbon market mechanisms. We connect up-to-date research with the real world decision making processes, making it possible to increase ambition in acting against climate change and contribute to finding sustainable and equitable solutions.