CEPS CARBON MARKET FORUM (CCMF)

Fourth meeting of the CCMF Task Force on New Market Mechanisms under the AWG-LCA

Agenda
September 25th, 2012

The meeting will take place at
GdF Suez, 23 Rue Philibert Delorme, 75017 PARIS (Metro / RER Pereire)

Chair: Pedro Martins Barata, former lead negotiator on mechanisms for the EU and a former member and vice-chair of the CDM EB
Rapporteur: Andrei Marcu, Head, Carbon Market Forum, CEPS

SPEAKERS TO BE CONFIRMED

10:00 Registration & coffee
10:30 Welcome
   A. Marcu, Head, CEPS Carbon Market Forum
10:45 Agenda of the meeting
   Pedro Barata & Andrei Marcu
11:00 New Market Mechanism & Framework: Review of discussion at 2012 Bangkok session of AWG LCA
   Niclas Svenningsen, UNFCCC Secretariat
11:30 CEPS straw man proposal, Andrei Marcu, CEPS
   Commentaries from
   - A. Prag, OECD confirmed
   - M. Bosi, Word Bank confirmed
   - A. Kleystueber, Chile confirmed
   - E. Filzmoser, CDM Watch confirmed
1:00 Lunch
2:00 Moderated Roundtable reactions: what is possible for Doha
   Lead presentations
   - R. Owen Jones, Australia confirmed
   - T. Chruszczow, Poland confirmed
   - D. Forrister, IETA confirmed
3:30 End of meeting
Background Briefing

This is the fourth meeting of the CEPS Carbon Market Forum Task Force on New Market Mechanisms, after the meetings in February, March and July in Brussels and May in Bonn during the side event that was held jointly with the EU.

In preparation for the May sessions in Bonn the CEPS Task Force had prepared a paper entitled “Expanding carbon markets through new market-based mechanisms” which outlined some of the main issues facing the negotiators as well as possible outcomes and their ramifications for market functioning and the environmental objectives.

The May session in Bonn has provided the opportunity to present the written submissions provided by Parties and Observers, and discuss different aspects of the NMM and FVA in more detail. However, while this resulted in a better understanding of the positions, owing to the limited time available as well as the positions presented by Parties, not much progress was made fulfilling the mandate that the COP had given in Durban.

The CEPS July session was well attended by both stakeholders and a good cross section of negotiators. The discussion, in a very informal setting, led to a better understanding of the different views and priorities. One view that emerged seem to point to a lack of urgency in developing NMM and the FVA due to a number of important aspects

- Lack of Demand that would justify the creation of new market instruments that will provide Supply
- Difficulties in preparing NMM and as well the FVA outside the context of the outcomes of ADB negotiations.

Following the session in Bangkok, which is expected to include workshop(s) on both NMM and FVA, the objective of this Task Force meeting is to

- Take stock of the situation after the last negotiating session before the Doha COP
- Review and provide input into the straw man for the FVA developed by CEPS
- Try and get a sense of what is possible to be achieved in Doha

Annotated Agenda

Session 1:
New Market Mechanism & Framework: Review of discussion at 2012 Bangkok session of AWG LCA

This session will provide the opportunity for a factual and objective review of what had discussed in Bangkok and been achieved so far since Durban, and will ensure that all participants are starting from similar level of knowledge of the facts.
Session 2:
CEPS Straw man proposal

Based on the discussions in the previous Carbon Market Forum NMM TF meetings, the CEPS paper presented at the May UNFCCC meeting and the general developments and discussions in the UNFCCC context, the Carbon Market Forum, as described in the outline at its launch, will **develop a straw man proposal for the FVA** that should be put forward for Doha.

While the Durban mandate refers to the development of Modalities and Procedures for NMM as well as a work programme for FVA, it is felt that the discussion on the FVA is proving to be more complex than anticipated. In addition, while certain Parties have provided a high level of detail for the NMM part of the work, the FVA concepts will benefit from more debate. In our view, they will prove to be a significant element in the ADB architecture.

The presentation will consist of a 20 min power point presentation by Andrei Marcu, Head of the CEPS Carbon Market Forum, followed by a number of commentaries as well as a moderated roundtable discussion.

Following the discussion in Bangkok, the NMM TF will hold another meeting in Brussels where the results of the Bangkok meeting will be presented and discussed with Brussels based members of the Task Force. A paper, with proposed text is envisaged as the outcome leading to Doha.

Session 3:
Moderated Roundtable reactions: what is possible for Doha?

However, Doha will have a number of deliverables and there are many Parties that see progress in markets as part a successful package for the upcoming COP. Given the current situation, a number of participants will provide their assessment of what is ACHIEVABLE and REALISTIC for Doha in order to

- Keep the momentum going in moving the discussion and development of markets as part of the new climate regime
- Recognize that new market instruments are being developed at the national and regional level
- Ensure that the multilateral framework remains relevant and plays an appropriate role