Durban outcome on various approaches

CEPS Carbon Market Forum
Brussels, Belgium, 23 February 2012
COP 17: The Durban Platform

• Decided to establish the Durban Platform for Enhanced Action

• An agreement with legal force under the Convention applicable to all parties.

• The ad-hoc working group on the Durban Platform shall start its work in 2012 and complete it by COP21 (2015)

• The Durban Platform is to be implemented from 2020
The Kyoto Mechanisms will continue in a second commitment period

- Duration of second commitment period 31 Dec 2017 or 2020, to be decided at CMP 8 / COP 18 (Nov/Dec 2012)
- Economy-wide emission targets to be converted into QELRO’s by 1 May 2012.
- Carry over of AAU’s to CP2 to be decided at CMP 8
- Carbon Capture & Storage included
- NF3 added to Kyoto gases
- Continued work on baselines, efficiency, suppressed demand…
COP 17: Decisions on New Mechanisms

- **A New Market Based Mechanism** was “defined” (established)
  - Modalities and Procedures to be developed in 2012
  - A core requirement for the EU to agree to a second commitment period
- A work program to consider a **Framework for Various Approaches** was decided to be conducted in 2012.
  - Responds to Cancun mandate to consider various approaches for market based and non-market based mechanisms.
  - Seen by many parties as the “glue” to connect and recognize future national & regional mechanisms under UNFCCC.
The New Market Based Mechanism

- Can be seen as a new top-down (UNFCCC) common market based mechanism
- Parties are still to agree on the features of this mechanism
- EU has in earlier submission proposed a Sectoral Crediting Mechanism
  - To improve impact of market based mitigation
  - To move from projects towards mitigation in sectors, regions/cities, economies
  - To improve governance and efficiency
- Other parties may have other views
COP 17: Framework for Various Approaches

- **Framework for Various Approaches**
  - May allow offsets generated by national/regional mechanisms to be recognized under UNFCCC.
  - Widely supported THAT a framework is needed to be established.
  - Diverging views about WHAT the Framework will be:
    - On one end Japan, USA, Canada: Wish to have a Framework with minimum prescriptions for what is accepted as mechanisms/offsets under UNFCCC.
    - On the other end, EU, EIG, AOSIS and most of G77: Wish to have clear rules governing requirements for mechanisms/offsets to be recognized under UNFCCC.
COP 17: Existing vs. New Mechanisms

- New Mechanisms are expected to maintain and build existing KP mechanisms.
  - CDM, JI, ET to continue at least until end of second commitment period (2017 or 2020)
  - Procedures and modalities for the New Market Mechanism, as well as the Framework, to be considered at COP 18 (Nov/Dec 2012)
- New Mechanisms are not intended to replace CDM/JI (not at first instance at least) but to complement them.
- Clear move towards an expanded market with room for more mechanisms.
  - Role of UNFCCC support function for mechanisms may change considerably.
Next Steps

• Submission by parties and observer regarding the two work programmes (new mechanism, and framework) by 5 March.

• Workshops on both work programmes to be conducted in-session at SB36 (Bonn Climate Change Conference, 14-25 May 2012).

• First negotiation session at SB36

• Additional activities?

• Recommendation to COP18 (26 Nov to 7 Dec, 2012)