FRAMEWORK FOR VARIOUS APPROACHES – KEY TO THE 2015 AGREEMENT

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1. Why the FVA is key for the agreement?
2. What needs to be considered?
3. What are the key functions of the FVA?
4. The governance approach for unit issuance.
5. What to consider for the issuance and use of units?
6. When should the FVA start?
7. Why an initial pilot phase?
1. Why the FVA is key for the agreement?

The key for the agreement:
To lower prices of green technology in order to increase its demand.

- Catalyze the transition to a clean Economy - économie sociale et solidarité
- To foster cooperation opportunities in NAMAs, NAPAs and REDD+, linked with the GCF.
- To stimulate early implementation of actions.
3. What are the key functions of the FVA?

• To ensure Environmental Integrity:
  • To define core characteristics for the issuance of reduction and avoidance units.
  • To integrate reduction and avoidance units within the UNFCCC for its use in an accounting as well as compliance system and the provision of information thereof.
4. The governance approach for unit issuance

Institutional Arrangements
A two-tier based approach

UNFCCC guidance

Host country designs and approves the implementation and ensures the transparency
5. What to consider for the issuance and use of units?

**Value**
- The value of the units based on the carbon content (a tone is a tone) and on the abatement costs (production costs) of a sector

**Use**
- For compliance under the UNFCCC.
- Linkage to compliance to MoI pledges, GCF and tech mech

**Impact**
- Non market - taxes and policies or units not subject to transactions
- Account the impact of investments in Green Technology prices
- Access to info in strategic sectors of every country.
6. When should the FVA start?

- Decide on the role, purpose, scope and functions.
- Decide to establish a Transitional Committee to define components.
- Decide to start a pilot phase.

COP 19
Warsaw 2013

- Decide which components should include the FVA, based on the recommendations by the Transitional Committee.
- Analysis of the pilot phase: positive vs. negative experiences. To overcome inefficiencies.
- Decide to fully operationalize the FVA.

COP 20
Lima 2014

- Initiate the implementation of inter-linkages.
- Implement the compliance of targets through the FVA.

COP 21
Paris 2015

Post COP 21
2020

Implementation of compliance and accounting system.
7. Why an initial pilot phase?

- New actions need to be tested and improved on the road: “Learning by doing”
- Components must be revised in order to ensure environmental integrity, avoid double counting and enhance cost effectiveness.
- Checks on:
  - Core characteristics
  - Units issuance
  - MRV
  - ITL
  - National and international Registries.
  - Institutional arrangements and general / technical procedures.
- We need to make initial experiences first, if we want to operationalize the FVA completely in 2020.
THANK YOU FOR YOUR ATTENTION

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