

The role of national policies and international carbon markets



OUTLINE

- 1) An effective agreement
 - a) Purpose and context
 - b) Role of national policies
 - c) Role of markets
- 2) Stakeholders' contribution



What might an effective agreement look like?

Context

- Academic perfection?
- Political reality
 - Bottom-up policy development
- However....
 - Not that different to what we have now
 - KP has NDCs
 - Markets were designed (nationally, regionally and internationally) to reflect these NDCs



What might an effective agreement look like?



Purpose

- Create **cohesion, cooperation and coordination** of national efforts
- Increase **trust and confidence** between Parties
- Establish a long-term reliable framework for **continuously enhancing ambition**

And?

- Recognize the **variety of actors involved** in addressing the challenge

Role of national policies



Recognizing that action takes place at a micro level:

- Create the basis for action
 - Mandating and enforcing actions
 - Incentives for enhanced efforts
- Enabling environments for long term decision making
- Enabling environments for access to international support and cooperation

“The Last Brick” - The Loadstone

- Creates bridges between national policies
- Establishes a normative base for cooperation and cohesion
- Rules base and infrastructure exist
- The CDM has shown for over a decade that this is possible
 - Adapting to a broader variety of NDCs is a far smaller challenge than the many already faced



From here to there...

1) Engage at the domestic level

- Effective national policies
- Access to international cooperation

2) Be specific

- Parties developing INDCs NOW
- Parties need text proposals NOW – Official text to be circulated by May next year



Implementing enhanced action



National and international policy can:

- Recognize action
- Reward action
- Penalize inaction

Policy can NEVER implement action

Science informs us of the scale of what is necessary

The private sector must be proactive and vocal in making that which is necessary possible

Thank you!



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