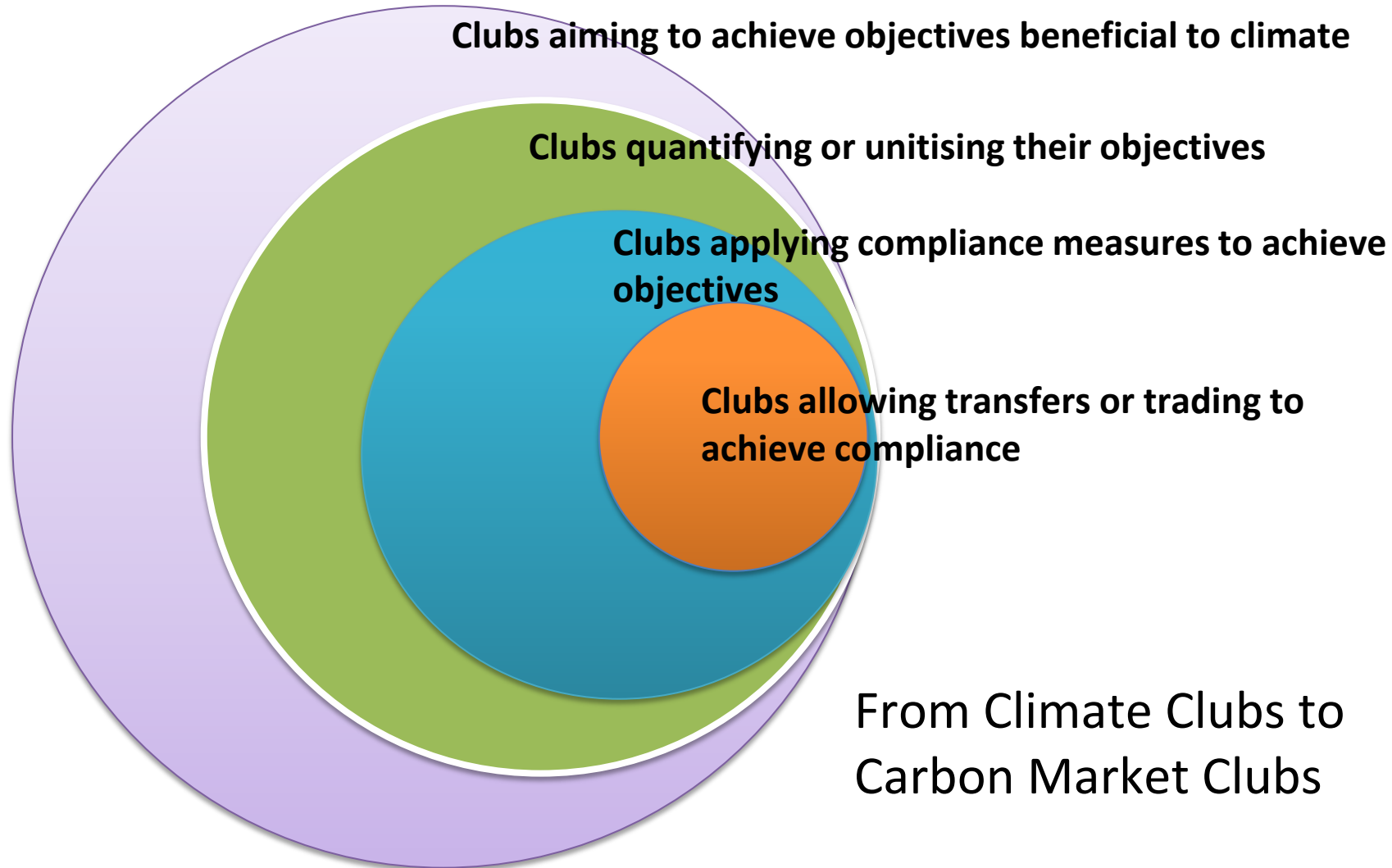


Climate Clubs, Carbon Market Clubs and ITMOs

IETA-IEA-EPRI: Paris 2016

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What Clubs?



From Climate Clubs to
Carbon Market Clubs

Who wants an ITMO?

NDC Accounting

Club of Parties

1

Party A:
Buyer/Transferor

2

Party B:
Seller/Transferee

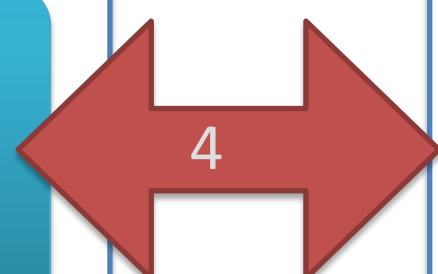
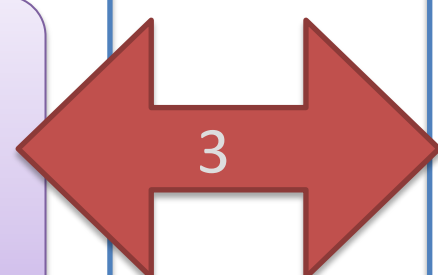
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4

Indirect Party Acquisitions

Non-Party
NAZCA/Club
Member

Compliance
Entity



Clubs beware....

- Double-counting at national level (additionality of club member achievements?)
- UNFCCC or other external assessment of environmental integrity and sustainability of club units transferred
- National Government authorisation requirements
- Eligibility of club transactions against national compliance obligations
- Political distaste for international offsetting

How much of this do we still believe?

- Developed countries will have to pay for a large share of developing country mitigation
- More than is comfortable if simply added to an ambitious NDC total
- So we need an NDC offset system (no double-counting, and no nonsense about "indulgences")
- More than is financeable/optimal via direct or indirect tax-funded aid transfers
- So we need modalities for incentivising purchase of international mitigation by private entities
- Either way, there must be universal rules on environmental integrity and sustainability of units offset or purchased - or could this break the Paris system?

Climate Strategies is a not-for-profit organisation working with an international network of senior climate change policy experts to bridge the gap between research and policy. It provides world-class, independent policy and economic research input to national, European and international climate policy. Created in 2006, it has achieved the status of trusted knowledge broker amongst stakeholders of different backgrounds, as it investigates innovative topics delivering concrete and applicable policy options.

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