

Workshop on a framework for various
approaches
Summary of technical paper

Bangkok, Thailand, 31 August 2012



Status of technical paper

- **Durban 2011: 2/CP.17 para 79-86, request the AWG-LCA to conduct two work programmes to:**
 - a) Consider a framework for various approaches (FVA)
 - b) Elaborate modalities and procedures for the new market-based mechanism (NMM)
- **Bonn 2012: (AWG-LCA 15); AWG-LCA requested the secretariat to prepare a technical paper based on submissions (old and new), the workshops, and discussions in meetings of the informal group on various approaches.**
- **Aim to facilitate **focused** discussions**



Basis for technical paper

Durban decision 2/CP.17, para 79-86, incl. preamble

Pre- Bonn

- 34 total submissions received
- 14 from Parties
- 20 from admitted observer organizations

In Bonn (AWG-LCA 15)

- 2 workshops + 2 meetings of the informal group

Post-Bonn

- 10 total submissions received
- 8 from Parties
- 3 from admitted observer organizations



Context (1)

1. Introduction (Mandate, scope, purpose)

2. Context

- a) The term “Various Approaches” → FVA & NMM
- b) Relation to KP mechanisms
 - Demand-supply
 - Overlap of activities
 - Potential use of KP infrastructure
- c) Relation to other sources of support & finance (NAMA, Green Climate Fund, Tech mech...)
 - ✓ Mutually supportive
 - ✗ Double counting



Context (2)

c) **Double counting**

- Accounting unit in more than one mechanism
- Accounting for the same mitigation unit in both the host country and in the buyer country
- Investments under mechanism also counted for commitment for financing or tech transf.

d) **Net mitigation**

- Size of “net”?
- Reference point for net decrease

e) **Other issues**

- Focus on international approaches
- Supplimentarity.
- Sustainable development



Framework for Various Approaches (FVA)

Common interest in coherence

- Enable recognition of (international) mitigation approaches developed outside UNFCCC, so as to:
 - Allow a wider selection of approaches for countries to meet pledges
 - Improve fungibility of units for efficiency, reduced costs, transparency and consistency in markets
 - Reduce fragmentation of markets → Comparability



Framework for Various Approaches (FVA)

Common interest in coherence:

- Example of approaches:
 - Connected national ETS
 - Internationally connected sub-national schemes
 - Bilateral offset mechanisms
 - Voluntary schemes
 - Non-market based approaches



Framework for various approaches (FVA)

Models for FVA

- Centralized approval based model
- Decentralized transparency oriented model



Framework for various approaches (FVA)

Standards for real, permanent, additional, verified mitigation (**Approval model**)

- Eligibility criteria
 - Environmental quality procedures
 - Principles for baseline and monitoring methodologies, validation & verification procedures.
 - Documented analysis
- Approval authority
- Aligned with NMM
 - Based on CDM/JI infrastructure?



Framework for various approaches (FVA)

Standards for real, permanent, additional, verified mitigation (**Transparency model**)

- Declare approaches used, methodologies employed, and explain how units are viewed as representing real additional (etc) mitigation.
- Environmental integrity assurance through e.g.
 - Automatic
 - Third party verification
 - Independent review process w. public results
 - To use IAR/ICA processes to support
- Potential use of ICA/IAR process for reporting purpose



Framework for various approaches (FVA)

Other issues

- Role of UNFCCC, COP and secretariat
- Role of existing CDM infrastructure, national communications review teams, and CDM Executive Board
- Unit tracking
- Need to better understand 1) the intended purpose of the framework and 2) the nature of potential approaches that may be proposed to the framework



Thank You!

