



Plurinational State of Bolivia

**LESSONS AND EXPERIENCES
REGARDING CARBON MARKETS
“The wrong way forward”**

**UNFCCC CLIMATE CHANGE NEGOTIATIONS
BONN, GERMANY 2012**

THE PROBLEMS OF CARBON MARKETS

1. Scientific and conceptual incongruity of emissions markets with the basic science of climate change.
2. Inconsistency of carbon markets with the effective reduction of greenhouse gases emissions and compliance with UNFCCC.
4. Incongruence between carbon markets and sustainable development.

CONCEPTUAL AND SCIENTIFIC INCONGRUENCE

- Irresponsible simplicity of the complex and holistic climate system.
- Programs, projects and activities regarding carbon markets are triggering environmental problems.
- Carbon markets imply trading of pollution.
- Carbon markets means the conversion of ecosystems functions into commercial commodities.
- Poor quality control of baselines.
- Double counting of emissions reductions for carbon will increase temperature beyond 2°C.

INCONSISTENCY OF CARBON MARKETS WITH EFFECTIVE REDUCTION OF GHGs AND UNFCCC COMPLIANCE

1. Carbon markets are ineffective and undermine domestic efforts regarding climate change mitigation.
2. Carbon markets distort the implementation of commitments of developed countries.
3. Carbon markets are inconsistent with environmental integrity and food security.
4. Creation of an speculative business.

INCONGRUENCE BETWEEN CARBON MARKETS AND SUSTAINABLE DEVELOPMENT

1. Inequality of opportunities in the implementation of mitigation projects among developing countries.
2. Large gap between yields and cost-effectiveness of carbon markets in order to reduce GHG emissions.
3. Taking the low hanging fruits.

CONCLUSIONS

- Schemes and market approaches for climate change (current and projected) are economically, environmentally, and socially inefficient.
- The development of approaches for a new carbon market mechanism under the Convention is not appropriate.
- The development of non-market approaches such as the Bolivian “Climate Justice Mechanism” should be accelerated.