

China's View on the New Market-based Mechanism Under the Convention

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Why New Market-based Mechanism Under the Convention

- Promoting cost-effectiveness in emission reductions and increasing the mitigation ambition of the developed country Parties
- Providing comparable approaches for achieving comparable mitigation commitments
- Available to developed country Parties that have undertaken internationally legally binding as well as measurable, reportable and verifiable emission reduction targets

New Market-based Mechanism NOT Established for

- Introducing emission reduction commitments for developing countries in whatever format
- Replacing the market-based mechanisms under the KP
- Interfering with approaches available to the developed country Parties domestically in reducing emissions

Modalities and Procedures of the New Market-based Mechanism

- Project-based mechanism comparable to the CDM established under the KP
- Centralized governance structure
- Uniform rules applicable to all Parties
- Single central governing body
- Operationalization of principles in para. 80 of the Cancun Agreements

Modalities and Procedures of the New Market-based Mechanism

- Eligibility: available to developed countries that have undertaken intl. legally binding as well as measurable, reportable and verifiable emission reduction commitments
- Supplemental to domestic efforts in achieving emission reduction commitments, with specific guidelines to be established
- No double counting by developed country Parties, i.e. both as fulfilling their financial and technology transfer commitments and as offsetting their emissions

Conclusion

- Project-based mechanism comparable to CDM
- Participation eligibility for the developed country Parties
- Operationalition upon completion of establishment of internationally legally binding commitments of the developed country Parties

Thank You