



**Climate Markets &
Investment Association**

Promoting efficient market solutions
to combat climate change

Challenges associated with implementation



27.17	38.72	8	28.92	21.95	0
36.70	26.93	287	29.47	0	0
26.92	21.96	5	29.47	-0.1	0
21.95	29.47	272	488.06	-0.1	0
29.46	488.19	3	117.02	-0.1	0
488.07	117.02	9	20.84	-0.1	0
117.00	20.84	370	21.31	-0.1	0
20.83	21.32	126	31.66	-1.5	0
21.31	31.66	69	34.51	0.6	0
31.65	34.52	19	33.43	1.0	0
33.43	29.82	10	29.79	-1.5	0
78	21.37	3	21.35	-0.4	0
4	35.87	17	35.87	-1.8	0
6	95.76	3	95.72	0.7	0



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❖ IMPLEMENTATION

- ✓ 10 years of experience – almost 4100 projects
- ✓ Methodologies and standards – almost 200 methodologies and tools in diverse sectors.
- ✓ International institutional capacity and support structure
- ✓ Programmatic approach
- ✓ Standardisation including development of standardised baselines and positive lists.
- Institutional and stakeholder capacity has developed in:
 - UNFCCC, Auditors, DNAs, Investors, Banks, Project Developers, Technical Experts

Challenges at the National Level

- Institutional capacity needs to be strengthened at domestic level –implementation of new mechanisms will rely on greater involvement and carbon asset management at the national level.
 - ✓ Data collection
 - ✓ Scope and sector definition
 - ✓ Monitoring reporting and verification standards and institutional arrangements
 - ✓ Design and delivery of incentive – issuance and control over credits/units
 - ✓ Local stakeholder engagement – local auditors, banks, project developers...
 - ✓ National registries and trading infrastructure
- Broader approaches to carbon finance under new mechanisms need greater technical capacity and institutional infrastructure compared to CDM.
- **New mechanisms can introduce greater country risk and regulatory risk, e.g. if lessons from CDM and JI with regard to establishing property rights are ignored**
- **Increased risk will decrease the availability of capital and increase its cost,**
- **Decreased risk will increase the availability of capital and decrease its cost**

- Ambitious agreement at the international level
- Centralised institution – establishment of common principles, standards– building on existing experience.
- Centralised technical review – integrity and the avoidance of double counting - rule based
- Common accounting framework – fungible units/credits



*Promoting Efficient Market Solutions
to Combat Climate Change*

CMIA is an international trade association representing 61 firms that finance, invest in, and provide enabling support to activities that reduce emissions. Our international membership accounts for an estimated 75 per cent of the global carbon market, in 2011.

Our effectiveness and credibility as a voice in the policy making arena is founded on our unique profile - **an international, emitter-free association, representing the entire value chain of carbon finance.**