



Durban UNFCCC Negotiations November
2011

Media Training: the CDM and its Critics

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IETA

INTERNATIONAL EMISSIONS
TRADING ASSOCIATION



Who are IETA?

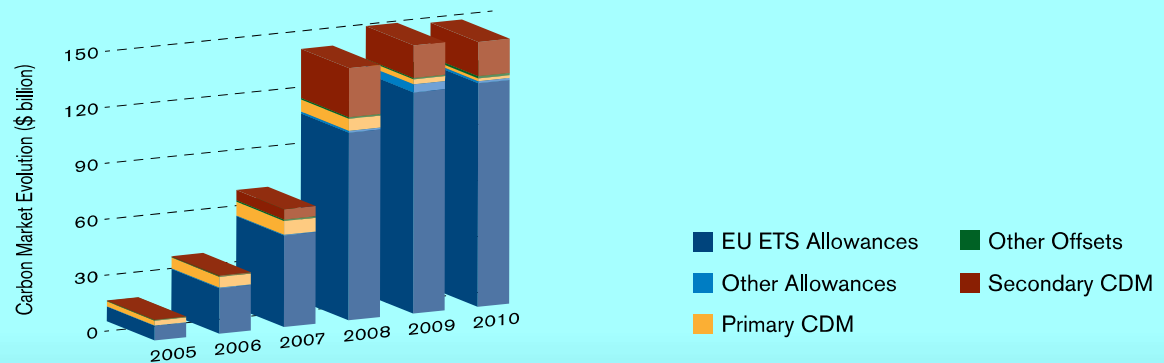
- Only cross-sectoral, private sector international organisation promoting emissions trading to secure environmental goals
- Founded in 1999
- Membership: ~165 companies
 - 50% emitters
 - 50% project developers, intermediaries, financial institutions, brokers, verifiers, legal firms
 - 60% EU, 30% US/Canada, 10% Asia
- Swiss non profit
- Offices: Geneva, Brussels, Washington, Toronto
- Role in Australia, Japan



Current Market Sentiment

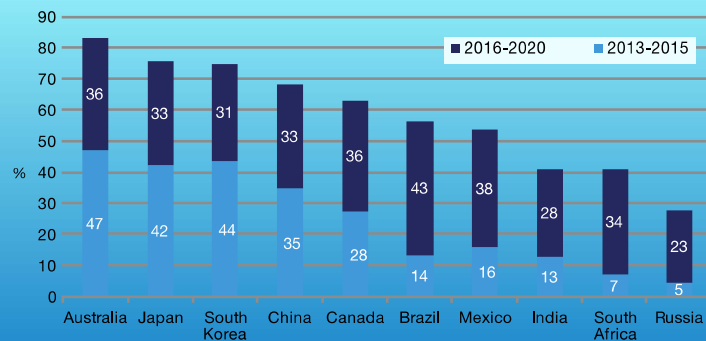
The market is stalling and new CDMs are drying up

Source: Worldbank 2011



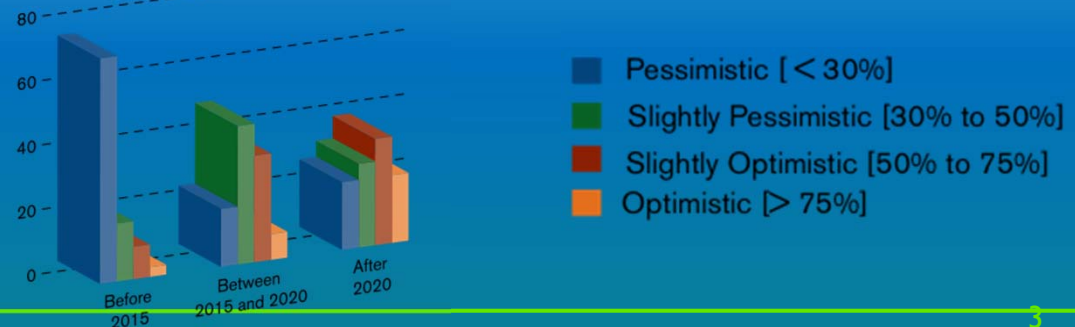
Likelihood and timing of new emissions trading schemes

Source: IETA&PwC 2011



How confident are you on a new legally binding framework?

Source: Worldbank 2011





The Principles and Pitfalls of Offsetting

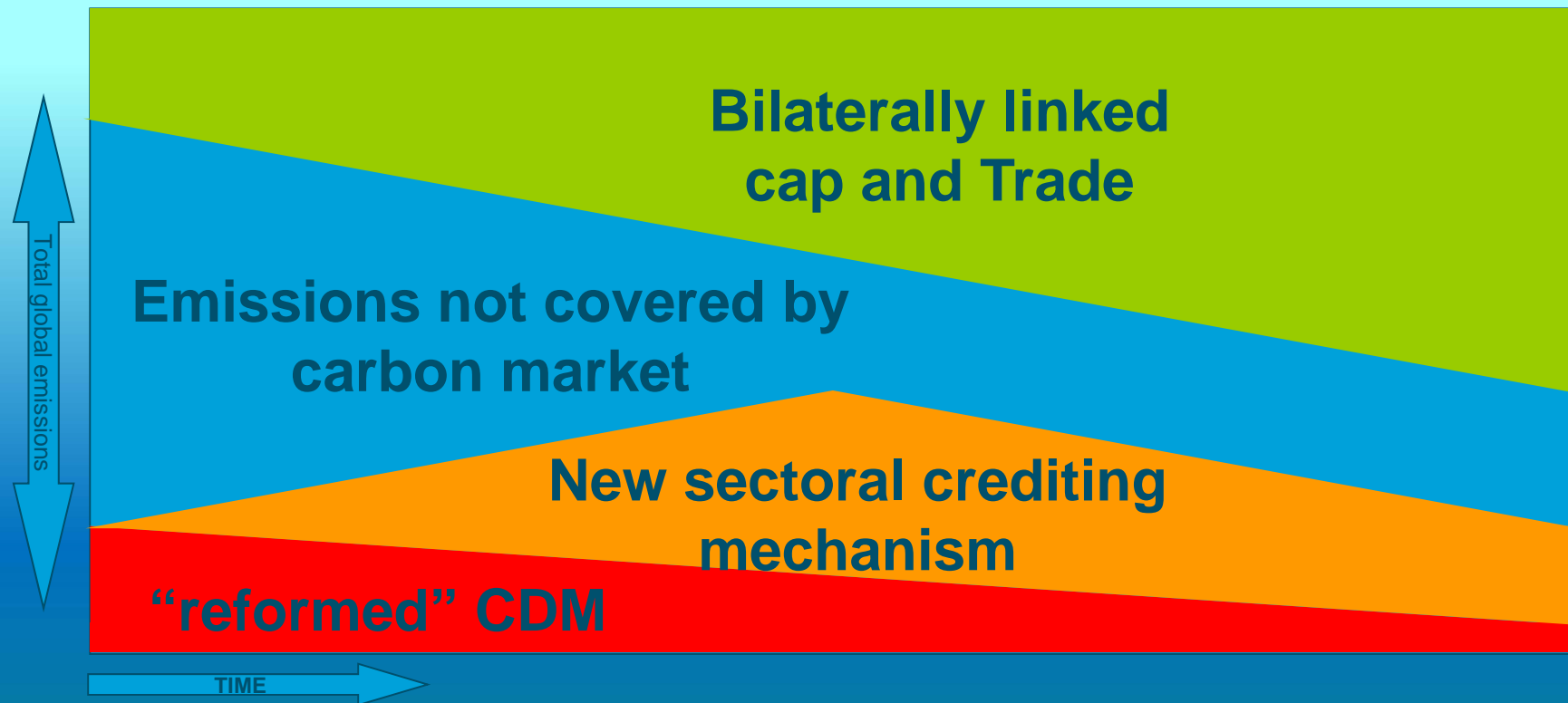
- Purchasing indulgences: corporates or individuals
- « Anyway » tonnes: Can't trust foreigners
- « Anyway » tonnes: Can't trust baselines
- Contaminated currency (and exchange/linking)
- Putting off domestic investment, even if assets stranded
- The ghosts of low-hanging fruit
- International negotiations:
 - « Supply only » days are over
- EUETS over-supply
- But isn't this what trading means?





CDM as a Negotiating Tool?

“for advanced developing countries and highly competitive economic sectors, the project based CDM should be phased out in favour of **moving to a sectoral carbon market crediting mechanism**” (EU Communication 28 Jan 2009)





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MAKING MARKETS WORK FOR THE ENVIRONMENT