

## **Opportunities for using markets to enhance the cost-effectiveness of, and to promote, mitigation actions**

### **Indicative questions for the meeting of the contact group on AWG-LCA item 3 on Saturday, 5 June 2010**

*In the text to facilitate negotiations among Parties (FCCC/AWGLCA/2010/6), opportunities for using markets to enhance the cost-effectiveness of, and to promote, mitigation actions are addressed in paragraphs 18 and 19 of chapter I (annex I) and in chapter VIII (annex VIII).*

1. How can opportunities to use markets complement public sources of support for mitigation in developing countries and what instruments would be needed to leverage and channel flows of private finance and investment?
2. Is there a need for new market-based mechanisms to provide a framework for activities that are implemented jointly by Parties and, if so, what should be their specific role and should they to some extent generate offset credits?
3. What principles should regulate market-based mechanisms?