

Demand vs Supply



The future of Carbon Markets

When the market is long

End of the international carbon market?

Welcome to NAMA land

A new Climate Financing paradigm

SUPPLY

New projects' CERS issued in 2013-2020

2.6

Existing projects' CERS issued in 2013-2020

5.2

Source UNEP RISOE, Pointcarbon

Gt CO₂
for period
2013-2020

4.3 SURPLUS

DEMAND

REST
JAPAN
AUSTRALIA

EU(*)

2013-2020

0.5

0.5

0.5

1.9

**Gt CO₂
for period
2013-2020**

SURPLUS

SUPPLY

0.8

2.7

**(post 2012
produced) CERs
meeting the EU
ETS post 2012
requirements**

DEMAND

1.9

EU(*)

**Source UNEP RISOE,
Pointcarbon**

End of the international carbon market?

Assigned Amount Unit (AAU) Kyoto trading

JUNK STATUS

Between 9 and 13 Gt surplus carried over into 2nd commitment period of Kyoto

CDM and new market mechanisms

EXTREMELY SPECULATIVE (negative outlook)

More demand needed at global level, hence higher and “binding” ambition levels by all UNFCCC parties

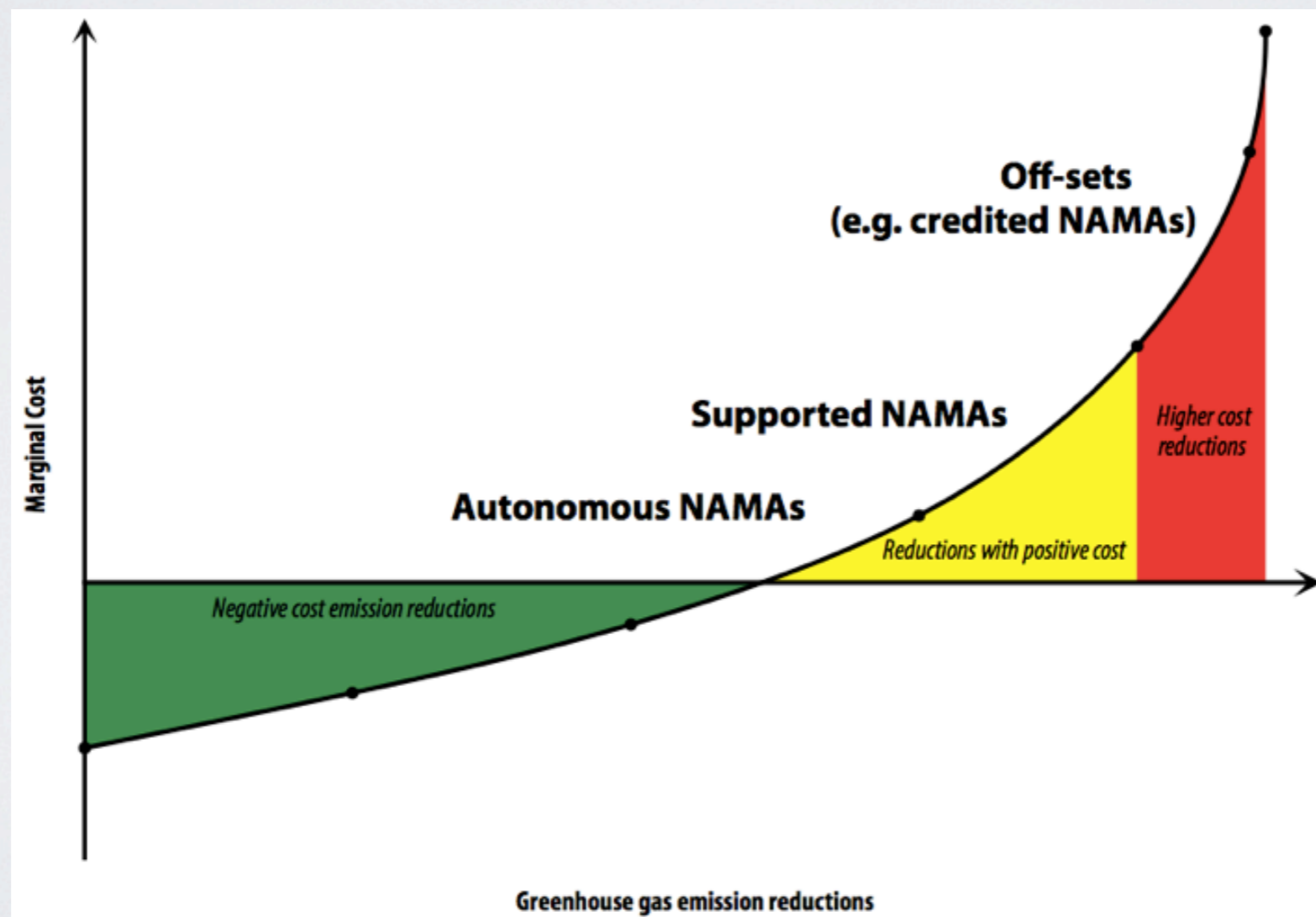
EU ETS

SPECULATIVE

Immediate & adequate short- and long-term intervention needed (e.g. 1.4 Gt set-aside and linear cap adjustment)

National Appropriate Mitigation Actions [NAMAs]

- Actions by developing countries to meet post 2012 pledges under UNFCCC
- Implementation of Low Emission Development Strategies
- Autonomous NAMAs, Supported NAMAs, [Credited NAMAs]



[The need for] A new Climate Finance paradigm

OBSERVATIONS

- Carbon Markets out of the picture (for now)
- Green Climate Fund lacking public financing (debt, debt, debt)
- Some NAMAs can make a good business case (!)

SOLUTIONS

- Increase demand... by setting more ambitious targets
- Support developing countries in building good NAMAs
- Find a new “climate financing” interface to support NAMAs which offer an attractive rate of return: engage pension funds, create climate bonds, ...

Game Over



no credits

insert coins