

Webinar Invitation

Role of carbon markets under the Paris climate treaty and impact on EU's climate policies

24 November, 2015

6-7.30am CDT (Mexico City), 3-4.30pm CET (Brussels), 5.30-7pm IST (Delhi), 7-8.30pm ICT (Bangkok)

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Description: Despite the domestic mitigation targets expressed by most developed countries in their INDCs, some countries, such as the EU, have expressed interest in using carbon markets under the Paris agreement. This event will discuss the potential role of carbon markets post-2020 and will focus on the impact of the Paris climate treaty on the ongoing EU ETS reform.



Speakers:

- Analysis of market references in Paris draft negotiation text: **Mr Andrei Marcu**, Centre for European Policy Studies (CEPS)
- Considerations to avoid the build-up of hot air in the Paris climate treaty: **Dr. Katherine Watts**, Carbon Market Watch
- Joint fulfilment of climate targets: what does it mean for linking and accounting: **Mr Aki Kachi**, Adelphi
- Impact of the Paris agreement on the EU ETS reform: **Ms Femke de Jong**, Carbon Market Watch

The event will be moderated by Mike Szabo, Correspondent, Carbon Pulse

Background: The twenty-first session of the Conference of the Parties (COP21) will take place from 30 November to 11 December 2015, in Paris, France with the aim to flesh out a future Paris climate agreement to replace the Kyoto Protocol from 2020 onwards.

Only very few countries have outlined in their Intended Nationally Determined Contributions (INDCs) that they will use international trading as a means to help achieve their climate goals. From the industrialised countries, only Switzerland, New Zealand and to a certain extent Norway have indicated the use of markets under the Paris climate treaty. On the other hand, numerous developing countries have announced interest for an international carbon market to play a role in the future. Several countries, such as Albania, Barbados and Togo, suggest that they might continue to generate offset credits and others, such as Cabo Verde, Ghana, Mexico and Uganda plan to achieve their conditional pledges with the use of markets.

Despite the limited role of markets expressed by most industrialised countries in their INDCs, such as the EU and the US, the political reality regarding domestic carbon pricing schemes looks different: jurisdictions responsible for 40% of the global economy have already implemented carbon pricing mechanisms. Despite its domestic nationally determined mitigation commitment (NDMC), the EU is currently negotiating linking its Emissions Trading System with Switzerland with a view to a global carbon market at a later stage. China is currently fleshing out the rules for its national carbon market from 2017 onwards and also in the Americas, carbon markets have been developed in California and Quebec and could be expanded through linking to other regional emissions trading schemes, depending on the US presidential elections next year.

The latest Bonn negotiations have significantly changed how carbon markets are being discussed. There was initially no mention of them in the draft treaty text. However, about 5 pages of language proposals for carbon markets have been added.

The text is open to discussion on all forms of carbon markets, including currently ineligible types such as REDD. While there are well known concerns about the effectiveness of carbon markets, there is also a risk that the absence of clear rules would allow countries to implement carbon markets without harmonised standards, necessary safeguards, and international oversight.

