

MAKING SENSE OF THE CARBON MARKET JUNGLE:

HOW DO DIFFERENT SYSTEMS RELATE TO EACH OTHER?

PROGRAMME (CREDITS)													
CDM (CER)	CDM												
JI (ERU)	CDM AND JI ARE INDEPENDENT FROM EACH OTHER. CERS AND ERUS CAN BOTH BE USED BY COUNTRIES TO REACH KP TARGETS.	JI											
IET (AAU)	TO MEET ITS KP TARGET, A COUNTRY CAN USE A CER INSTEAD OF AN AAU	TO ISSUE AN ERU, A COUNTRY HAS TO CANCEL AN AAU. THE ERU CAN THEN BE USED TO MEET A KP TARGET.	IET										
ART 6.4 (A6.4ER*)	SOME CDM CREDITS /PROJECTS/METHODOLOGIES MIGHT BE TRANSITIONNED INTO ART. 6.4	SOME JI CREDITS/PROJECTS/ METHODOLOGIES MIGHT BE RANSITIONNED INTO ART. 6.4	NO CLEAR CONNECTION	ART 6.4									
ART. 6.2 (ITMO*)	SOME CDM CREDITS /PROJECTS/ METHODOLOGIES MIGHT BE TRANSITIONNED INTO ART. 6.4	ITMOS MIGHT INCLUDE REDUCTIONS FROM JI PROJECTS	IF A COUTRY WAS TO USE ITS AAUS TO MEET ITS NDC, AND SELLS ITMOS UNDER 6.2, THIS WOULD BE EQUIVALENT TO SELLING AAUS AS ITMOS	ITMOS COULD INCLUDE A6.4ERS, AND SEVERAL ASPECTS OF ARTICLE 6 COVER BOTH 6.2 AND 6.4	ART 6.2								
VCS (VCU)	VCS CERTIFIES SOME CDM PROJECTS, WHICH THEN ISSUE VCUS INSTEAD OF CERS	NO CLEAR CONNECTION	NO CLEAR CONNECTION	VCS COULD CERTIFY 6.4 PROJECTS	VCS COULD CERTIFY ITMO TRANSACTIONS	VCS							
GS (VER)	GS CERTIFIES SOME CDM PROJECTS, WHICH THEN ISSUE VERS INSTEAD OF CERS	NO CLEAR CONNECTION	NO CLEAR CONNECTION	GS COULD CERTIFY 6.4 PROJECTS	GS COULD CERTIFY ITMO TRANSACTIONS	GS AND VCS ARE COMPETITORS	GS						
OTHER VOLUNTARY STANDARDS	VOLUNTARY STANDARDS COULD REGISTER CDM PROJECTS (AS VCS AND GS HAVE DONE)	VOLUNTARY STANDARDS /LABELS COULD CERTIFY JI PROJECTS	NO CLEAR CONNECTION	COULD CERTIFY 6.4 PROJECTS	COULD CERTIFY ITMO TRANSACTIONS	COMPETITORS	OTHER VCM						
REDD+	TWO SEPARATE UN MECHANISMS	TWO SEPARATE UN MECHANISMS	TWO SEPARATE UN MECHANISMS	SOME REDD+ PROJECTS MIGHT TRANSITION INTO ART. 6.4	SOME REDD+ CREDITS MIGHT BE SOLD AS ITMOS	VCS HAS CERTIFIED REDD+ PROJECTS TO SELL CREDITS AS OFFSETS	GS DOES NOT CERTIFY REDD+ PROJECTS	SOME VOLUNTARY STANDARDS CERTIFY REDD+ PROJECTS AND ISSUE CREDITS FOR USE AS OFFSETS	REDD+				
CORSIA	CERS ARE ELIGIBLE FOR USE IN CORSIA (WITH RESTRICTIONS)	NO CLEAR CONNECTION	NO CLEAR CONNECTION	A6.4ERS COULD BECOME ELIGIBLE UNDER CORSIA IN THE FUTURE	IMPORTANCE TO AVOID DOUBLE COUNTING OF REDUCTIONS BETWEEN CORSIA AND ART. 6.2.	VCUS ARE ELIGIBLE FOR USE IN CORSIA (WITH RESTRICTIONS)	VERS ARE ELIGIBLE FOR USE IN CORSIA (WITH RESTRICTIONS)	CREDITS FROM SOME VOLUNTARY STANDARDS ARE ELIGIBLE FOR USE IN CORSIA (WITH RESTRICTIONS)	SOME REDD+ CREDITS COULD BE USED IN CORSIA THROUGH ELIGIBLE STANDARDS.	CORSIA			
CLIMATE FINANCE	WHEN CERS ARE CREATED, MONEY IS CHANNELLED TOWARDS THE ADAPTATION FUND	NO CLEAR CONNECTION	NO CLEAR CONNECTION	A6.4ERS COULD BE BOUGHT AND CANCELLED AS A WAY OF DISBURSING CLIMATE FINANCE. WHEN A6.4ERS ARE CREATED, MONEY COULD BE CHANNELLED TO THE ADAPTATION FUND.	IMPORTANCE TO AVOID DOUBLE COUNTING OF REDUCTIONS BETWEEN CORSIA AND ART. 6.2.	NO CLEAR CONNECTION	GS IS DEVELOPING ALTERNATIVES TO OFFSETING, INCLUDING CLIMATE FINANCE CONTRIBUTION CLAIMS	THE VOLUNTARY MARKET COULD EVOLVE TOWARDS "CLIMATE CONTRIBUTION" CLAIMS, INSTEAD OF COMPENSATION	REDD+ IS A MECHANISM TO DISBURSE CLIMATE FINANCE. IT WAS NOT ESTABLISHED AS AN OFFSET SCHEME	NO CLEAR CONNECTION	CLIMATE FINANCE		

*ALL COMMENTS RELATED TO ARTICLE 6 INDICATE ONE POSSIBLE OUTCOME WHICH CMW BELIEVES IS POSSIBLE/- LIKELY (WHICH DOES NOT MEAN IT IS NECESSARILY ONE WHICH CMW SUPPORTS). ALL COMMENTS RELATED TO ARTICLE 6 HENCE DEPEND ON THE FINAL AGREEMENT.

** THIS TABLE CLARIFIES HOW DIFFERENT SYSTEMS ARE LINKED. IT DOES NOT IMPLY THAT CMW SUPPORTS ALL THE COMBINATIONS PRESENTED. FOR EXAMPLE, CMW DOES NOT BELIEVE THAT ISSUING REDD+ CREDITS FOR USE AS OFFSETS IS APPROPRIATE.

- LIST OF ACRONYMS:
- CDM CLEAN DEVELOPMENT MECHANSIM
 - CER CERTIFIED EMISSION REDUCTION
 - JI JOINT IMPLEMENTATION
 - ERU EMISSION REDUCTION UNIT
 - IET INTERNATIONAL EMISSIONS TRADING
 - AAU ASSIGNED AMOUNT UNIT
 - A6.4ER ARTICLE 6.4 EMISSION REDUCTION
 - ITMO INTERNATIONNALLY TRANSFERRED MITIGATION OUTCOME
 - VCS VOLUNTARY CARBON STANDARD
 - VCU VERIFIED CARBON UNIT
 - GS GOLD STANDARD
 - VER VERIFIED EMISSION REDUCTION
 - REDD+ REDUCING EMISSIONS FROM DEFORESTATION AND FOREST DEGRADATION, PLUS THE SUSTAINABLE MANAGEMENT OF FORESTS, AND THE CONSERVATION AND ENHANCEMENT OF FOREST CARBON STOCKS
 - CORSIA CARBON OFFSETTING AND REDUCTION SCHEME FOR INTERNATIONAL AVIATION
 - UN UNITED NATIONS