



Annual Report

2016



## Carbon Market Watch Annual Report 2016

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Carbon Market Watch - Zentrum für Entwicklung & Umwelt (Centre of Development & Environment)

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Report by Andrew Coiley

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## Our Mission

Our mission is to ensure that environmental market based mechanisms contribute to the fight against climate change. We work to uncover policy loopholes and uphold standards that protect the environmental and social integrity of carbon markets and other climate mitigation instruments.

## Our Approach

Our approach is to influence policy development with the unique combination of technical policy expertise and bottom-up pressure through our network. We are politically independent and non-profit, and underpin our views with innovative evidence based policy research.

## Our Work

We work at the global, European as well as national levels through our network members. Our key campaigns include

- advocating the true cost of pollution in global carbon pricing initiatives
- making the European carbon market an effective climate mitigation tool
- reducing emissions from transport, building and agriculture sectors in the EU countries
- tackling emissions from aviation and shipping
- ensuring sustainable development objectives in international climate finance



FOREWORD

2016 was a year that shook the world and the European Union in particular. The new hope for multilateral climate cooperation under the 2015 Paris agreement received a blow with the election of a climate denier to the White House. The European Union, as an ongoing project for peace and prosperity, was shaken by a Brexit referendum outcome initiating a process that will see one of its bigger Member States leave the Union. In both cases the use of so-called ‘fake news’ and intentional disrespect for facts and data played a role in what can be seen as a form of chilling voter manipulation. In this context the vital importance of Carbon Market Watch, an NGO who bases its advocacy firmly on data gathering and analysis, cannot be stressed more.

Promoting transparency and accountability in European climate policy is crucial, especially given its increasing complexity. The EU Emissions Trading System, in particular, has become a regulatory medusa following the almost ten reviews since its inception in 2005. At this moment it is extremely hard to explain to the general public how and if the EU ETS is functioning. In particular why the system seems to be achieving its goals while at the same time cementing over-allocation to some companies that barely make an effort to reduce emissions.

The regulation covering the emissions from other sectors such as transport, buildings and agriculture, covering almost 60% of EU greenhouse gas emissions, also deserved the spotlight initiated by Carbon Market Watch. It is disappointing to see some EU Member States, less than one year after they applauded the Paris Agreement, advocating major loopholes in the Effort Sharing Regulation which would be detrimental for the EU’s ambition level and international credibility. It is by exposing and remediating these manifest contradictions between climate rhetoric and actual implementation, that long term public trust in EU and national climate policies can be maintained.

Working in such complex and data heavy environment is challenging and resource intensive for a smaller NGO. Publicising or exposing specific data and its impact on public and private stakeholders can lead to hostile responses from other often much more powerful players. Limited resources and access to data can unfortunately also cause mistakes. Striving towards unimpeachable accuracy, transparency and conclusions and recommendations should therefore be a continuing endeavour for Carbon Market Watch.

I applaud Carbon Market Watch for its work and achievements in 2016. The EU and the world needs NGOs such as Carbon Market Watch now more than ever. Sunlight is said to be the best of disinfectants, in particular in the dark times that might lie ahead.



**Tomas Wyns**  
Board Member 2012 - present

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# 2016 Key Achievements

## International Climate Policy:

De-registration of the Hydro Dam Barro Blanco from Clean Development Mechanism (CDM)



### Delivering Precedent

After years of relentless campaigning and advocacy work together with our partners at both the global and grassroots level, the Panamanian government withdrew the registration of the controversial hydro dam project Barro Blanco from the CDM on the grounds of local stakeholder violations, a first in UN climate history. While de-registration will not stop the project from going ahead, it will no longer be possible to use it to offset emissions produced elsewhere. The de-registration sends a strong message that human rights violations are not tolerated in activities labelled as “climate friendly” and adds an important new momentum to Carbon Market Watch’s calls for universal human rights provisions in all climate action.

## Aviation Emissions:

ICAO Assembly Resolution includes a strong review clause, binding criteria for offset quality and against double counting of emission reductions



### Strategic Advocacy

As a member of the International Coalition for Sustainable Aviation (ICSA) - the only civil society observer group to the International Civil Aviation Organization (ICAO), Carbon Market Watch advocated for a robust climate deal for international aviation at ICAO’s 2016 triennial assembly. As a result of tireless work by Carbon Market Watch and our partners to ensure that the sector contributes to global efforts to tackle climate change, ICAO agreed to review the global deal’s effectiveness every 3 years, and to have a binding offset criteria to ensure that the projects supported under the scheme actually reduce emissions while respecting human rights and the environment. ICAO further acknowledged the need to avoid double counting of emissions towards multiple different climate targets - something that Carbon Market Watch remains particularly vocal on.

## EU Climate Policy (EU ETS):

EU Parliament’s environment committee report includes steeper emissions reduction pathway, removes cement sector from the carbon leakage list and paves the way for Council proposal to introduce a new way of cancelling carbon permits



### Agenda Setting

Carbon Market Watch ran a highly visible campaign on the EU’s carbon market reform, highlighting the dangers of over generous free pollution permits which have led to windfall profits for the biggest polluters, as well as the need to raise the overall ambition of the system. Recognising these dangers the European Parliament’s environment committee agreed that the cement sector should no longer receive free permits which are handed out to prevent the theoretical prospect of shifting production out of the EU - so called carbon leakage. Shaping the committee’s agenda ahead of the final plenary decision on the system’s future was a successful step for our campaign. Carbon Market Watch and our partners’ call for more ambition was also reflected in the environment committee’s recommendations to increase the pace at which the number of pollution permits is reduced every year, to reduce the massive surplus of permits on the market and enshrine a more robust polluter pays principle. Our campaign succeeded in raising public awareness and stirring debate on these topics. As a result of the continued pressure by Carbon Market Watch and others, EU environment ministers later agreed on a yearly cancellation system of surplus permits, which aims to further reduce the market oversupply.



# EU Emissions Trading System

## Reducing EU industrial emissions through effective carbon pricing

The European Union Emissions Trading System (EU ETS), currently under review, is the world's biggest international carbon market and Europe's flagship instrument to cut greenhouse gases from power stations, industrial installations and aircraft operators.

The EU's Member States and Parliament are expected to reach an agreement on the EU ETS reform in autumn 2017. While both have introduced some improvements to the original proposal by the European Commission, much work on the proposed system remains to be done if the ETS is to be an effective mechanism in the future for reducing emissions. Carbon Market Watch has been a prominent leader amongst NGOs demanding more ambitious reform including permanent cancellation of surplus pollution permits, incentives for early mitigation action through faster pace at which emissions are reduced annually, and a revision of the EU's climate targets every five years.

Throughout 2016, Carbon Market Watch worked closely with key members of the European Parliament and Member State representatives to provide input and recommendation on the ETS negotiations, including policy briefings, input on amendments, voting recommendations and background information.

## Innovation can reinvigorate the EU ETS

The current EU ETS rules grant free pollution permits to industrial companies deemed at a risk of moving their production out of Europe, the so called carbon leakage. Carbon Market Watch argues that supporting innovation instead of paying the polluters helps companies reduce their emissions, and is therefore better both for the long term competitiveness of European companies and the climate.



All relating policy briefs can be found [here](#)



## Highlight of the year

With the help of NGO partners in many European countries, Carbon Market Watch launched a highly visible 'carbon leakage' campaign under the Carbonopoly theme. Kicking-off in March at our European Parliament event we championed the release of a CE Delft study showing how carbon-intensive industry in Europe had made over 24 billion euro from the EU's Emissions Trading System. We successfully converted the data into national fact sheets and infographics (see above).



## Did You Know ?

The windfall profits that European corporations made from the EU ETS vary considerably between countries. Most gains from the EU ETS were made in Germany (€4.7 billion), the United Kingdom (€3.2 billion), Spain (€3.0 billion), France (€2.9 billion) and Italy (€2.4 billion). These differences largely correlate with the amount of greenhouse gas emissions in these countries in the 2008-2015 period.



## Got it covered!

Femke de Jong and Dr. Agnes Brandt are in charge of this complex climate policy file.  
**Contact:** [Femke.dejong@carbonmarketwatch.org](mailto:Femke.dejong@carbonmarketwatch.org)

**Play our  
EU Emissions Trading  
System Quiz**

***"Energy-intensive companies are able to profit from their pollution to the tune of billions. It's European taxpayers that are picking up this bill as governments forego scarce public money."***

**Carbon Market Watch, BBC, April 2016**





***“Rather than cutting emissions by at least 30 percent, the use of fake forestry credits and surplus ETS permits would lower the target for the non-traded sectors [ESR] to merely 27 percent actual reductions,”***  
**Carbon Market Watch, Politico, July 2016**

# EU Effort Sharing Regulation

## Fostering emissions reductions from transport, agriculture, buildings and waste

Covering almost 60% of the EU’s greenhouse gas emissions, the Effort Sharing Regulation (ESR) is a centrepiece of Europe’s climate legislation. It sets annual emission reduction targets for each Member State in sectors like transport and agriculture not covered by the EU ETS. To implement the EU’s 2030 climate target, the European Commission presented a new legislative proposal in 2016 for the 2021-2030 period. The new proposal sets a higher 2030 target and puts an end to the possibility of using international carbon offsets to cover domestic emissions. To compensate for these changes, the Commission introduced new options to reduce emissions cost-effectively – so called flexibilities.

Carbon Market Watch was at the forefront of the NGO community providing information to policymakers and stakeholders about the ESR and how it has been implemented in Member States so far. Establishing coherent additional policy measures in the non-ETS sectors to bring the ESR in line with Europe’s 2050 objective of reducing greenhouse gas emissions by 80% to 95% remains our goal.

## When flexibilities become loopholes

EU leaders have decided that the availability and use of existing flexibility instruments will be “significantly enhanced”. It is yet to be seen what type of flexibilities will be allowed and how they will be designed. It is important to make sure that they won’t undermine EU’s 2030 climate ambition. For the ESR to be effective, all EU countries will need to take ownership of the transition to climate-friendly societies.



All relating policy briefs can be found [here](#)



## Highlight of the year

Along with 20 organisations from Central and Eastern Europe, Carbon Market Watch coordinated a workshop in Warsaw. A statement was sent to national environment leaders by the participating organisations calling for additional action to align the EU’s climate policies, including the Effort Sharing Regulation, with the Paris Agreement commitments.



## Did You Know ?

Climate targets are usually demonstrated as a percentage of emission reductions to be achieved by a certain point. However, what matters for the atmosphere, in addition to the value of this endpoint, is how much pollution is released along the way. Once greenhouse gases are in the atmosphere, they stay there for a long time. Therefore, the fewer total emissions are released over time, the lower the CO<sub>2</sub> concentration and the smaller the effect on global temperature.



## Got it covered!

Femke de Jong is the person overseeing our work on the Effort Sharing Regulation.  
**Contact:** [Femke.dejong@carbonmarketwatch.org](mailto:Femke.dejong@carbonmarketwatch.org)



# Agriculture & Forestry

## Reducing land emissions and increasing removals

Farmlands, wetlands and forests are responsible for around one quarter of global greenhouse gas emissions mainly from deforestation and agriculture, but also have a key role to play in climate mitigation as carbon sinks. Furthermore these habitats provide food and other resources, have a social and recreational value while providing an important biodiversity function. The complex nature of the sector makes climate solutions particularly tricky.

Carbon Market Watch advocates at both the UN and EU level for keeping land use issues separate from decreasing fossil fuel emissions. The carbon stored in trees is inherently non-permanent. Therefore using land use credits to compensate for continued fossil fuel use prevents decarbonisation globally and can result in an overall increase in emissions if faulty accounting rules are used.

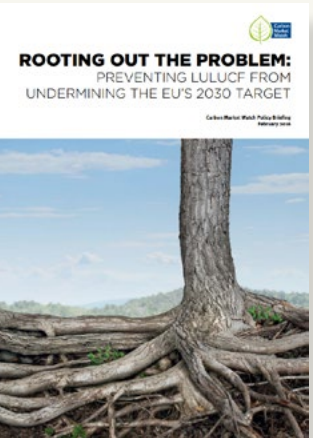
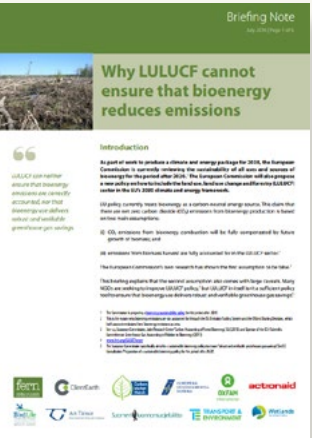
## Grounding the debate on land use and forestry

During 2016, Carbon Market Watch made concrete progress towards protecting the land sector. In the run up to the EU legislative proposal on the Land Use, Land Use and Forestry (LULUCF) sectors, Carbon Market Watch highlighted the flaws in land use accounting, leading to a proposal introducing first steps to address some, but not all accounting flaws. Our work on the ‘land use loophole’ that could lower ambition in the Effort Sharing Regulation fed into a discussion that produced a united European NGO front against forestry offsets. This kicked off a charged debate between EU Council Members about honest accounting rules. We see this as vital work for the development of robust climate measures that are capable of effectively tackling climate change.

The potential integration of forestry offsets into the offsetting mechanism developed for international aviation (CORSIA) presents a problem for addressing emissions from the aviation sector, as carbon removals can be reversed. Carbon Market Watch was at the centre of discussions on credit quality for the CORSIA, including permanence criteria related to land use, by participating in technical working groups developing rules for the aviation measure.

### Recommendations for SBSTA Item 11(a) on Land use, land-use change and forestry under Article 3, paragraphs 3 and 4, of the Kyoto Protocol and under the clean development mechanism

04 Nov 2015  
RECOMMENDATIONS PDF (ENGLISH)  
Prepared for the SBSTA, 45 session, COP 21, 2-18 November 2015  
Carbon Market Watch welcomes the opportunity to provide input to the SBSTA discussions on land use, land-use change and forestry under Article 3, paragraphs 3 and 4, of the Kyoto Protocol and under the Clean Development Mechanism. This brief directs SBSTA to continue consideration of work on paragraphs 5, 6, 7, and 10 in 2016? that request SBSTA to initiate the following for work programme:  
• To explore more comprehensive accounting of anthropogenic emissions by sources and removals by sinks from LULUCF, including through a more inclusive activity-based approach or a land-based approach, and to report to CMP 9 on the outcomes of this work programme (paragraph 5);  
• To consider and, as appropriate, develop and recommend modalities and procedures for possible additional LULUCF activities under the clean development mechanism (CDM), with a view to forwarding a draft decision on this matter to CMP 9 for consideration and adoption (paragraph 6).



All relating policy briefs can be found [here](#)



## Highlight of the year

As identified in the Slovak EU Presidency's state of play<sup>1</sup> document, most EU countries would like to keep LULUCF sectors as a third and separate legal element of the EU's climate policy with a separate commitment not to generate net emissions.

1. <http://data.consilium.europa.eu/doc/document/ST-15520-2016-INIT/en/pdf>



## Plant and credit: the issue

In Europe, up to 280 million LULUCF credits are currently proposed to be used during the 2021-2030 period to offset emissions in sectors such as transport and agriculture. If fully exploited, this would be equal to adding over 260 million cars on our roads. Credits can be generated from planting trees (afforestation) or from managing cropland and grassland. Relying on credits from activities that absorb carbon is particularly troublesome, as the carbon removals can be reversed at any time when the land is disturbed because of climate change (droughts, fires) or human activity (harvesting trees, tilling land).



## Got it covered!

Kelsey Perlman has her ear to the ground on this file.  
Contact: [Kelsey.Pperlman@carbonmarketwatch.org](mailto:Kelsey.Pperlman@carbonmarketwatch.org)

*“Betting on planting trees to reduce emissions is risky because the carbon sink of forests fluctuates and the permanence of stored carbon cannot be guaranteed,”*

*Carbon Market Watch, Bloomberg, 2016*



*“For this mechanism to be a good first step forward, it’s important that states agree to solidly reach this carbon-neutral growth goal in 2020,”*

*Carbon Market Watch, New York Times, September 2016*



# Global Aviation Emissions

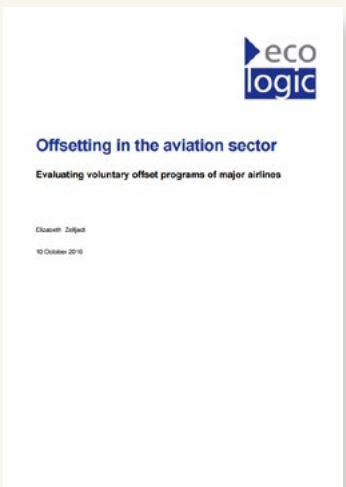
## Pushing for real climate action in the aviation industry

2016 saw the adoption of a new offsetting mechanism called the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) at the International Civil Aviation Organisation’s General Assembly. The new market aims to offset emissions from aviation with reductions in other sectors. The aviation industry is growing rapidly at 3% per year making it vitally important to confront its emissions urgently. Questions have been raised as to the effectiveness of CORSIA and whether it represents a suitable mechanism to achieve the large volume of emission reductions needed to meet aviation’s share of the climate challenge.

As a member of the International Coalition for Sustainable Aviation (ICSA), Carbon Market Watch advocated for the highest level of environmental integrity in the CORSIA. This includes ban on substandard carbon offset credits, avoidance of double counting with national targets under the Paris Agreement, and a goal to improve the aviation climate goal to be in line with the 1.5 objective agreed in the Paris Agreement.

## Avoiding a crash landing for the CORSIA

Carbon Market Watch was particularly vocal about avoiding double counting and the type of offset projects that should be included in the CORSIA. We advocated for the highest standards of environmental integrity for all offsets in the CORSIA and produced the first recommendations for the UNFCCC to respond to the aviation measure.



All relating policy briefs can be found [here](#)



## Highlight of the year

Carbon Market Watch spearheaded a ‘Tweetathon’ campaign throughout the summer of 2016 that aimed to place pressure on airlines and governments to raise ambition in the CORSIA negotiations. Thanks to our initial common action with the Carbon Market Watch network and other partners, we galvanised the momentum into a ‘Thunderclap’ social media event that reached almost 1.2 million people with 751 direct sign-ons. The campaign helped to achieve a review referencing the Paris Agreement and an essential reference to avoiding double counting in the resolution establishing CORSIA.



## Did You Know ?

Aviation is responsible for 2% of CO<sub>2</sub> emissions, almost 5% when adding non-CO<sub>2</sub> effects like contrails and NO<sub>x</sub> emissions. The sector is projected to quadruple its emissions by 2050, equivalent to around 20% of the global carbon budget.



## Got it covered!

Aki Kachi & Kelsey Perlman have their eyes on the skies with our aviation work.  
**Contact:** [Aki.Kachi@carbonmarketwatch.org](mailto:Aki.Kachi@carbonmarketwatch.org) & [Kelsey.Perlman@carbonmarketwatch.org](mailto:Kelsey.Perlman@carbonmarketwatch.org)



# International Carbon Markets

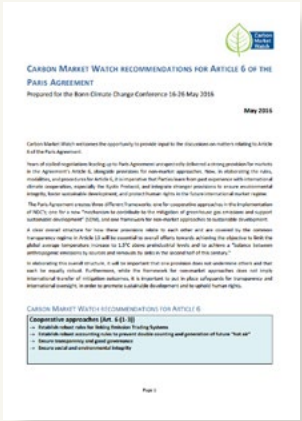
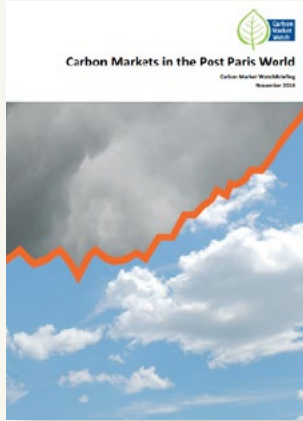
## Going beyond offsetting to make market-based mechanisms fit for the Paris Agreement era

The Paris climate agreement outlined two policy instruments, Cooperative Approaches (Art.6.2) and the Sustainable Development Mechanism (Art.6.4). The operational design of these new elements remain a central part of our international policy work. Throughout 2016 Carbon Market Watch continued to analyse the future impact these instruments will have, how they relate to each other and what implications this will have on existing Kyoto Protocol mechanisms such as the Clean Development Mechanism until and beyond 2020.

In 2016, Carbon Market Watch continued to push countries to learn from the mistakes of the past and establish robust international accounting frameworks for carbon markets. Furthermore, we have consistently highlighted the risks and potentials of linking carbon markets around the world – a task that has heightened in significance in the post-Paris world.

## The transition towards the post-2020 era

The Paris Agreement's Article 6 on international cooperation and markets, was vague enough to offer something to everyone. Now the task is to interpret the vague language in the article and the corresponding UNFCCC decision process. This will not be easy as the diverging viewpoints have not suddenly converged about what the Article as a whole should do or what the various bits actually mean. The years looking towards 2020 must be marked by ambition and a clear pathway for making the new era of market-based and non-market-based climate measures as robust and effective as possible.



All relating policy briefs can be found [here](#)

*“There is a lot of work to be done to regulate the quality of credits allowed in this system, you don’t want credits from some person claiming that he would have cut down the tree in his backyard, but promises to not do it if you pay him.”*

*Carbon Market Watch, Business Insider, October 2016*



### Did You Know ?

Like the CDM, the Sustainable Development Mechanism (SDM) -designed as a market-based provision under the Paris Agreement- is intended not only to promote emissions reductions but also to foster sustainable development. Unlike the CDM however, the SDM is widely expected to increase the scope with respect to its accessibility to implementing Parties: all countries will be able to generate and/or use SDM units.



### Got it covered!

Aki Kachi heads our international policy work  
**Contact:** [Aki.Kachi@carbonmarketwatch.org](mailto:Aki.Kachi@carbonmarketwatch.org)



*Barro Blanco shows how the CDM lacks the basic rules to ensure that these [development projects] don't have a negative impact on the ground,*

*Carbon Market Watch, Mongabay, September 2016*



*As Carbon Market Watch has documented, CDM registration of a project does not preclude it from harming human rights. Dozens of CDM-registered projects have faced serious human rights allegations. CDM currently does not have social or human rights safeguards in place, nor does it have an effective complaints mechanism.*

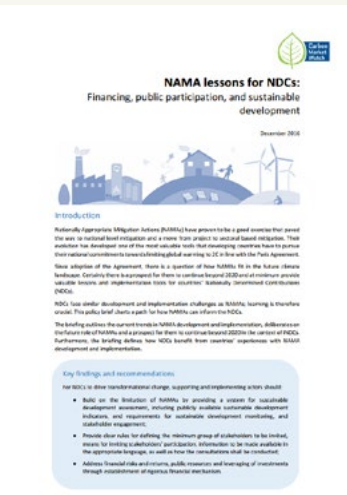
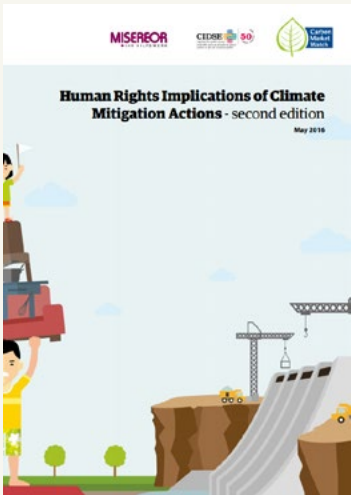
*Thomson Reuters Foundation News, November 2016*

# Sustainable Development

## Fostering environmental and social best practice in climate action

Man-made climate change has significant effects on the full enjoyment of several human rights, and recognition of this interconnectivity is essential to strengthening human rights protections under the UNFCCC. While climate actions are often well-intentioned, in some cases - documented by Carbon Market Watch - they have caused harm to the environment and people. The need for institutional safeguards applicable to all climate actions is clear in order to prevent social and environmental harm and human rights abuses.

Along with our grassroots and national civil society partners, we work towards building future UNFCCC provisions that establish robust rules for local stakeholder consultations, in a manner that protects the right to full and effective participation of affected peoples and communities for activities conducted under the Paris Agreement mechanisms. There is still a long way to go, Carbon Market Watch continues to push for robust environmental and social safeguards in line with international best practices for multilateral climate finance institutions, and an institutional grievance process to provide a means of recourse for affected people and communities.



All relating policy briefs can be found [here](#)



### Highlight of the year

In November 2016 Panama withdrew its registration of the controversial Barro Blanco hydro dam project, setting a precedent under the UN's Clean Development Mechanism (CDM). Following years of controversy and challenges from the indigenous Ngäbe, supported by Carbon Market Watch, Panama formally withdrew support for the project effectively deregistering it as of the CDM Board's 92nd meeting. This marks the first time a host country has withdrawn registration of a CDM project due to violation of human rights. The withdrawal means that no offset credits can be issued from the hydro dam project. Panama's decision came two months after 80 members of the Carbon Market Watch network sent an open letter calling Panama's Environment Minister to deregister the project.



### Did You Know ?

The preamble to the Paris Agreement calls on Parties to respect and promote human rights in all actions taken to address climate change, a landmark achievement given that it is the first reference to human rights in any multilateral environmental agreement. It reads:

*Acknowledging that climate change is a common concern of humankind, Parties should, when taking action to address climate change, respect, promote and consider their respective obligations on human rights, the right to health, the rights of indigenous peoples, local communities, migrants, children, persons with disabilities and people in vulnerable situations and the right to development, as well as gender equality, empowerment of women and intergenerational equity.*



### Got it covered!

Juliane Voigt covers our extensive work on Human Rights and sustainable development in climate action.  
**Contact:** [Juliane.voigt@carbonmarketwatch.org](mailto:Juliane.voigt@carbonmarketwatch.org)



***“We, the undersigned, urge you to withdraw Panama's letter of approval for the Barro Blanco hydroelectric project to be registered under the Clean Development Mechanism (CDM), in light of the severe environmental and human harms it is causing.”***

**Letter to the Environment Minister of the Republic of Panama,  
September 2016**

# Capacity-building outreach and workshops

## Engaging with civil society organisations to increase our impact

Focusing on bridging the gap between grassroots organisations and the international policy agenda, capacity building lies at the core of our mission. Our aim is to build knowledge among civil society organisations on topics related to market based measures and sustainable development aspects of climate policies. We try to provide our partners with some of the essential tools to help them advocate for fair and effective climate action at both the national and international level. In this regard, we also provide advocacy opportunities, such as events and webinars, so that our partners can share their experience of specific policies or projects with policy makers and other civil society organisations.



## Capacity building activities

Carbon Market Watch has advanced our capacity-building work on a variety of issues at international, EU and grassroots level to further our relationships in countries around the world. In 2016 Carbon Market Watch delivered three successful civil society workshops:

- Civil society workshop on climate finance developments, specifically focusing on low-carbon funding in the EU, and transparency and accountability in climate finance governance.
- A two day workshop in Warsaw, Poland, on the EU Effort Sharing Decision and the EU Emissions Trading System attended by NGOs from across Europe.
- A two day workshop in Dakar, Senegal, focusing on the impact of “post-Paris” climate policies on sustainable development.



## Support to local communities

We continued our collaboration with network members on specific CDM projects that are continuing to pose a threat to local populations and the environment. In this regard, Carbon Market Watch has worked to highlight the developing issues with two hydro dam projects in Central America: Barro Blanco in Panama, and Santa Rita in Guatemala.



## Got it covered!

Pierre-Jean Brasier keeps our capacity building activities running smoothly.

**Contact:** [PJ.brasier@carbonmarketwatch.org](mailto:PJ.brasier@carbonmarketwatch.org)





# Action Board

## Policy Event: Arrival status – did ICAO deliver an effective aviation climate deal?



After 3 years of work, ICAO is due to agree a global climate deal for international aviation at its triennial assembly Sept 27 – Oct 7th. The outcome will be notably watched to see if the sector can take action to limit its considerable and growing climate impact.

Transport & Environment and Carbon Market Watch, with the support of WWF European Policy Office and AEF, organise a post-assembly lunch event to consider the outcome of the assembly and its implications for European climate and aviation policy. The event will present expert analysis of any agreement and discuss what are the next steps, in particular implications for the EU Emission Trading System.

### Speakers

- Peter Liese MEP (EPP, ENVI) – moderator
- Bas Eickhout MEP (Greens, ENVI)
- Filip Cornelis (European Commission)
- Kelsey Periman (Carbon Market Watch)
- Transport and Environment speaker (tbc)

## 'Enhancing the EU's competitiveness through the EU ETS innovation fund'

SAVE THE DATE  
25TH MAY 16:30

### MEP co-hosts

Jo Leinen (S&D)  
Gerben-Jan Gerbrandy (ALDE)

### Speakers

Tomas Wyas, VUB  
Donal O'Riain, Ecocem  
Martin Pol, SSAB steel  
Fredrick Federley, ALDE  
Peter Blozard, Azotic Technologies  
Famke de Jong, Carbon Market Watch  
Dr André Serrenho, Cambridge University



REGISTER HERE

## RE-PLUMBING THE EU ETS

### LOW-CARBON INNOVATION & CARBON LEAKAGE IN A POST-PARIS WORLD

Tuesday 15th March, 3-5pm  
European Parliament, Room SG1 – [REGISTER HERE](#)

#### Kindly hosted by

FREDERICK FEDERLEY, ALDE  
IAN DUNCAN, ECR  
JYTTE GUTELAND, S&D  
BAS EICKHOUT, GREENS/EFA

#### Presentations

- PETER ZAPPEL, DG CLIMA, European Commission  
Innovation and carbon leakage in the EU ETS reform proposal
- TOMAS WYAS, Vrije Universiteit Brussel  
Post-2020 industrial and innovation policy
- FAMKE DE JONG, Carbon Market Watch  
The impact of the Paris Agreement on European competitiveness
- BENJAMIN DENIS, European Trade Union Confederation  
Perspectives from the European trade union on the EU ETS revision

Leopold Hotel, Salon les Anges

## EU ETS Breakfast Event: Unsticking the cement sector's low-carbon potential

Breakfast reception: 08:30

Programme: 09:00-10:30

09:00 – 09:10 Mr Jakop Dalunde, Member of the European Parliament – Opening remarks

09:10 – 09:20 Mr Dylan Tanner, Executive Director, InfluenceMap – InfluenceMap Report "European Cement and Carbon Pricing Regulatory Risk"

09:20 – 09:30 Dr Agnes Brandt, Senior EU Policy Officer, Carbon Market Watch – CE Delft/CMW Report "Cement's pollution windfall from the EU ETS during 2008-2015"

09:30 – 09:40 Ms Nicolette Bartlett, Director of Carbon Pricing at CDP [Reaction] Investment priorities under the EU ETS

09:40 – 09:50 Ms Claude Lorea, Deputy Chief Executive Director, CEMBUREAU [Reaction] Low carbon opportunities in the European cement sector

09:50 – 10:00 Mr Donal O'Riain, Founder and Managing Director, ECOCEM [Reaction] Challenges and barriers to low carbon cement innovation

10:00 – 10:25 Q&A – moderated by Mr Jakop Dalunde

10:25 – Mr Jakop Dalunde

## CARBON MARKETS IN THE PARIS AGREEMENT: CIVIL SOCIETY PRIORITIES FOR THE FUTURE

Years of stalled negotiations leading up to the Paris Agreement unexpectedly delivered a strong provision for markets in its Article 6, establishing multiple avenues for cooperation, including the transfer of "mitigation outcomes" and the Sustainable Development Mechanism (SDM). Now, when elaborating modalities and procedures, it is imperative that Parties learn experience – especially with Mechanism (CDM) and Joint At this event, experts will be learned to ensure social and discuss key elements to add mechanisms.

Tuesday 8 November 2016  
Room Pacific (150),  
Time: 15:00-16:30

### Speakers:

- How to ensure social integrity in Article 6 mechanisms, **Julliane Voigt**, Carbon Market Watch
- How to ensure environmental integrity in Article 6 mechanisms, **Randall Spalding-Fecher**, Carbon Limits
- Transferring mitigation outcomes under Article 6 – practical examples, **Hilg Pfeifer**, INFRAS
- Engaging the private sector with new mechanisms – learning from the CDM, **Ali Agwani**, Groupe d'Etudes et de Recherches sur les Energies Renouvelables et l'Environnement – GEREE

### High level panelists:

- Georg Borsting**, Policy Director, Norwegian Ministry of Foreign Affairs
- José Miguez**, Secretary on Climate Change and Environmental Quality, Ministry of Environment – GEREE



## HUMAN RIGHTS & CLIMATE CHANGE: WHAT NEXT AFTER PARIS?

In a historic step, the Paris agreement recognized the

Tuesday 15 November 2016  
Green Zone – Room DRAA (room 2)  
Time: 15:00-16:30

### Speakers:

- The ambition needed for the 1.5°C Objective: lessons from the bottom land grab, **Kelly Stone**, ActionAid – a member of Climate, Land and Rights Alliance – CLARA USA
- Putting human rights into action: lessons learned from climate migration actions, **Julliane Voigt**, Carbon Market Watch, Belgium
- Climate change and indigenous rights in the context of the Paris Agreement: the case study of the Green Climate Fund, **Kimberly Ode Kiam**, Indigenous Livelihoods Educational Partners, Kenya, on behalf of the International Indigenous Peoples Forum on Climate Change

### CONFIRMED PANELISTS

Tarek Saliman – CDP  
Willy Lytton – Sandbag  
Atle Lygren – EMC  
Agnes Brandt – Carbon Market Watch  
Donal O'Riain – Ecocem

### INTERVENTIONS FROM

Jytte Guteland MEP (S&D)  
Bas Eickhout MEP (Greens)

### HOSTED BY

sandbag

Carbon Market Watch

InfluenceMap

## The Cement Industry of the Future

Hosted by Bas Eickhout MEP

January 31st | 12:30-14:00

European Parliament, Room ASE-1

Ahead of the plenary vote on ETS reform, please join us for a lunch debate to hear from stakeholders how proposed amendments to the carbon market, including border adjustment measures, can drive low-carbon innovation in the European cement sector.

With perspectives from the cement industry, MEPs, investors, technical experts and NGOs. This event will coincide with the launch of a briefing by Sandbag on border adjustments.

RSVP HERE



## ENSURING HUMAN RIGHTS IN CLIMATE CHANGE MITIGATION ACTIONS

Wednesday 25 May, 2016  
Room Berlin (112), Time: 16:45-18:15

### Speakers:

- Human Rights implications of land-based mitigation actions, **KATE DOOLEY**, University of Melbourne
- Human Rights implications of climate mitigation actions: lessons that need to be learnt, **JULIANE VOIGT**, Carbon Market Watch
- Experience with the Barro Blanco dam in Panama, **ALYSSA JOEL**, Center for International Environmental Law (CIEL)

### Panel:

- VICTORIA TAYLOR-CORPUS**, UN Special Representative on the Rights of Indigenous Peoples
- Market expert (tbc)
- ALYSSA JOEL**, CIEL
- JULIANE VOIGT**, Carbon Market Watch

FOR MORE INFORMATION CONTACT: [julliane.voigt@carbonmarketwatch.org](mailto:julliane.voigt@carbonmarketwatch.org)



## Civil society workshop on climate finance developments

10 May 2016, 10:00-16:45,  
Mundo B, Fair Trade Room, Brussels

### Background:

There are numerous institutions, funds and initiatives involved in channeling the enormous quantity needed to implement the Paris Agreement. However, there are concerns that some of the climate finance originally intended to halt climate change, ultimately ends up as a fossil fuel subsidy or other unsustainable technology choices. There are also concerns that due to the missing safeguards, some of the actors involved may not adhere to the social accountability standards needed to uphold human rights.

This workshop aims to provide an overview of some of the new and less explored climate finance channels with the aim to identify needs for advocacy activities of civil society organisations and academics working on climate change and related issues.

The workshop will be divided into a morning and an afternoon session. The morning session will focus on EU policy and financial mechanisms under the EU's Emissions Trading System (EU ETS). The afternoon session will look at initiatives at the international level and will inter alia discuss climate and green bonds and share experiences from development finance.

### AGENDA

9:30-10:00: Arrival, coffee & tea  
10:00-13:00: Session 1: Experience with low-carbon funding in the EU

Moderator: Famke de Jong, Carbon Market Watch

Introduction: Towards quality and accountable climate finance

Ulrika Trank, Carbon Market Watch: Fossil fuel subsidies through Europe's carbon market: experience with Art 10c



# Publishing & Communications



### HTML News Digest:

Our monthly newsletter is received by over 4000 professionals including policy makers, academics and civil society organisations and partners engaging on various levels of climate policy around the world. We have focused on improving the feature elements in the newsletter to help us keep the readers refreshed with thought provoking and fun content. For instance our Emissions Trading Quiz which we released at the end of the year to accompany our policy material on the topic here has been played over 300 times. This has helped us to better gauge the general policy understanding of our audience.



### Watch This! NGO Newsletter

'Watch This!' is Carbon Market Watch's quarterly newsletter sent to our network members in French, English and Spanish. In 2016, it was sent to over 1800 members of civil society organisations and academics worldwide.

Its purpose is to build the capacity of our partners in order to enable them to take action with us. 'Watch This!' gives local activists the opportunity to speak out to a global audience. These stories come from the frontlines of where climate change, and mitigation projects designed to reduce our global warming impact are taking place. In 2016, the Watch This! Newsletter has been instrumental in the success of our aviation's tweetathon.



### Digital Communications

Unique Visitors - 151,248 - Hits - 5,519,982

As the Carbon Market Watch website grows in content and impression so too does our annual viewership. With an approximate increase of 30 thousand unique visitors year on year since 2013, the Carbon Market Watch website is drawing many more visitors due to improved outreach and clickable content.



### Twitter:

300+ new followers to our Twitter account with 550,000 impressions over the year. We led an online social media action along with international partners that resulted in a massive outreach to 1.2 million people.



### Facebook

Carbon Market Watch increased its unique page likes by 37% in 2016 and we have utilised the social media platform to push our campaign issues further and wider. It has also proven a particularly useful tool for maintaining and developing our network connections allowing us to expand our messages to a wider audience and specifically target the dissemination of our policy work in an easy to digest way. This has been particularly relevant for the Barro Blanco campaign.

### BOOKKEEPING Publications by numbers:

Media statements	20	
Policy Briefings	24	
Submissions/Letters	24	
News Articles	42	
Watch This! Articles	16	
Webseminars	2	
Policy Events	9	
Workshops	3	



# Carbon Market Watch Network

The Carbon Market Watch Network connects NGOs and academics in three working languages: English, French and Spanish. Its purpose is to build civil society's understanding and awareness on market based mechanisms and to strengthen its voice in advocating for fair climate action.

The working topics shared across the networks arise from Carbon Market Watch's strategic work plan and focus on a wide range of issues including accountability of climate finance, carbon offsetting and pricing measures, and experience with specific climate mitigation projects and programmes.

The network provides a platform for peer support and information sharing. It also gives members opportunities to participate in capacity building activities, such as workshops or webinars, and in advocacy actions, such as open letters, global internet campaigns, policy submissions and meeting with policy makers and other stakeholders. Membership is free and open to all NGOs and academics that are formally independent of governments and commercial organizations.

### What the Carbon Market Watch network offers to its members:

- Access to information on carbon markets and climate finance policies via campaign news, policy updates, calls.
- A platform for peer support and knowledge sharing through discussion lists and a quarterly member newsletter.
- Opportunities to participate in advocacy actions such as open letters, global internet campaigns and policy submissions.
- Opportunities to participate in capacity building activities such as workshops and webinars.
- Additional visibility to local campaigns and opportunities to meet with international policy makers, media and NGO networks.

If you would like to get more information on our network and capacity building activities please contact our network coordinator Pierre-Jean.

PJ.brasier@carbonmarketwatch.org



Visit our network page:

<http://carbonmarketwatch.org/join-the-carbon-market-watch-network/>



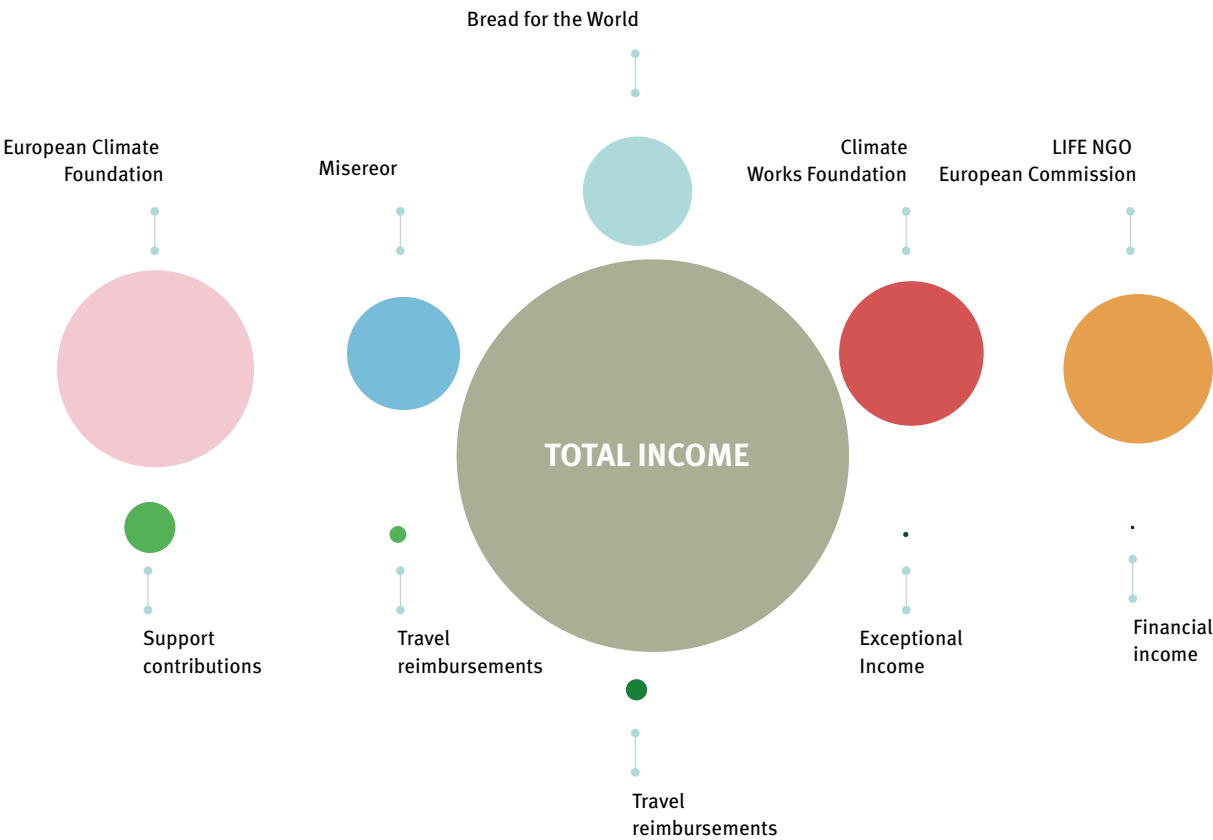
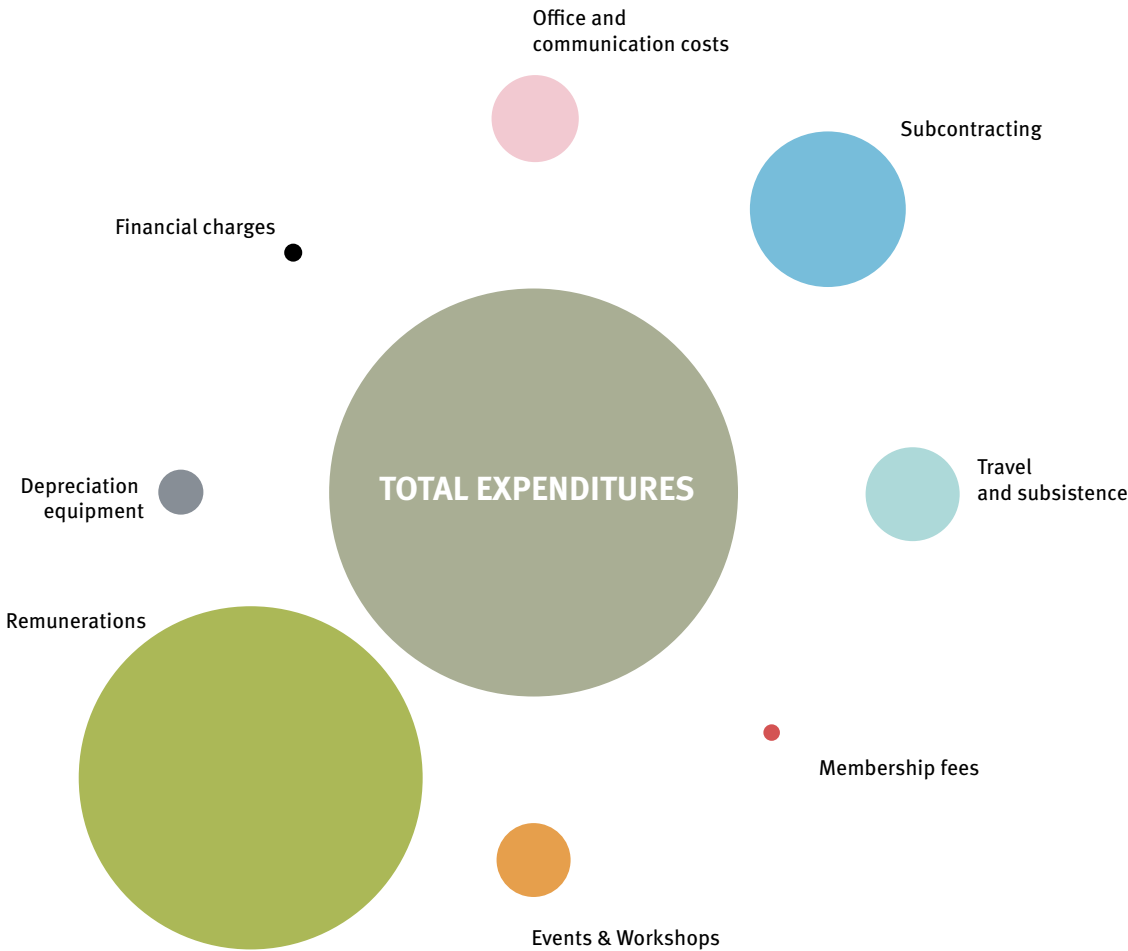


# Finances & Funders

EXPENDITURES	ACTUAL 2016
Office and communication costs	44,677.54
Subcontracting	142,712.28
Travel and subsistence	51,971.98
Membership fees	1,605.00
Events & Workshops	32,192.34
Remunerations	694,542.17
Depreciation equipment	11,934.77
Other costs	4,005.84
Financial charges	1,909.63
<b>TOTAL EXPENDITURE</b>	<b>981,545.71</b>

INCOME	ACTUAL 2016
European Climate Foundation	356,300.00
Misereor	117,498.53
Bread for the World	109,691.57
Climate Works Foundation	192,035.40
LIFE NGO – European Commission	205,000.00
Support contributions	8,385.72
Travel reimbursements	914.22
Other income	1,450.22
Exceptional Income	85.30
Financial income	39.73
<b>TOTAL INCOME</b>	<b>991,400.69</b>

*“We would like to express sincere gratitude to our funders for providing the financial support that allows us to realise our goals.” Carbon Market Watch*





Meet our Staff

Eva Filzmoser  
Executive Director



Every year sees Carbon Market Watch go from strength to strength and 2016 has been no different. Despite challenging priorities for governments addressing terrorism and immigration in midst of a surge of populism, we have helped to keep climate high on the political agendas. Working towards robust implementation of the Paris Agreement across all sectors of the economy, including for international aviation, has been eventful but also rewarding.

Femke de Jong  
EU Policy Director



In 2016, Carbon Market Watch played a central role in fostering NGO action on current EU climate change legislation in Brussels and across member states. Our efforts on often very technical issues has helped steer the debates towards ensuring more ambitious decision making.

Andrew Coiley  
Communications  
Director



It's hard to believe that Carbon Market Watch is only turning 5 years old (8 including CDM Watch). For me, a great sense of achievement comes from our organisation's consistent ability to translate complicated issues to multiple audiences with engaging and innovative messaging.

Aki Kachi  
International Policy Director



Our International policy work goes from strength to strength building on our input to the Paris Agreement and building links to international aviation in 2016. We continued to engage in multi-level stakeholder dialogues on various climate issues and transpose this information to our network partners around the world.

Pierre-Jean Brasier  
Network Coordinator



I'll remember 2016 as the year of the withdrawal of the Barro Blanco project from the CDM, which was the culmination of years of common action fostered by the network. On another note, I will keep great memories of our first workshops in Senegal and Poland which have triggered strong new collaborations.

Léa Teheux  
Finance Officer



It's a real pleasure to work on elaborating each year more and more the structure of this growing and dynamic organisation. Monitoring the finances and taking care of various human resources aspects brought me great fulfilment in 2016.

Kelsey Perlman  
Policy Officer Aviation



Our aviation campaign continues to reach new heights of influence, and in 2016 we had the opportunity to input on various levels, from technical discussions around the new global carbon market for aviation to the implications it will have on the EU. We also created massive social media momentum with our tweetathon action through the summer. Looking forward to continuing the pressure in 2017.

Kaisa Amaral  
Press Officer



Having joined Carbon Market Watch in 2016, it has been great to be part of a dedicated and passionate team that works tirelessly to further fair and effective climate protection. Through an impressive media coverage we gained a lot of visibility for our campaigns and helped to shape the post-Paris debates both on the EU's climate policies and the international climate change negotiations

Juliane Voigt  
Policy Officer



2016 has been yet another exciting year at Carbon Market Watch. As a policy officer for sustainable development and having been involved in a campaign on the Barro Blanco dam in Panama for quite some time, it was very rewarding to see the deregistration of the project under the CDM.

Dr. Agnes Brandt  
Senior EU Policy Officer



Only having joined CMW for the last third of 2016, I can say that even in this short period of time it has been exciting to be part of an organization that works to make a real difference with our EU advocacy work.

Stavros Matthaïou  
Intern

2016 has witnessed crises in many fronts. With skeptics of any kind being on the rise, it seems that the spree of negative events continues. Carbon Market Watch pushes for an avant-garde climate policy despite adverse situations as we strongly believe that future generations deserve a clean and sustainable planet.

Federica Pozzi  
Intern

Among others achievements, our communication team has developed an extremely successful campaign on the ESR that managed to catch interest among relevant international issues, such as Brexit and US elections. It's amazing to see growing interest in Carbon Market Watch's work from every side: news, institutions, stakeholders!

Nature Code Board  
and General Assembly Members

Board Members

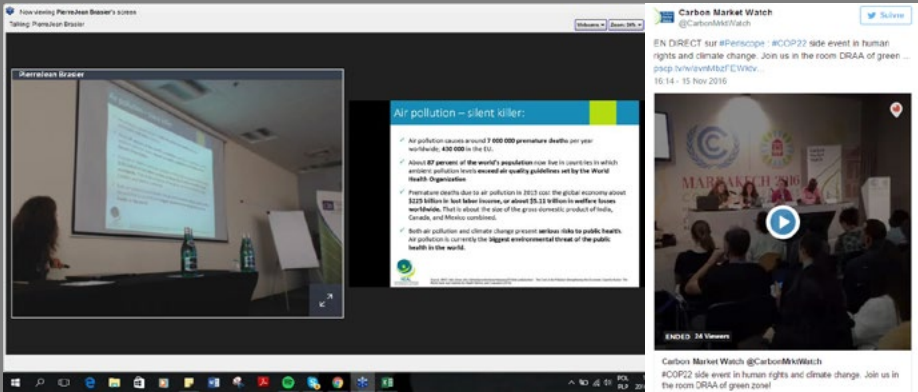
- Ms Natasha Hurley - Chair UK
- Mr Rob Eslworth - Vice Chair UK
- Mr Diego Martinez-Schuett - Treasurer Bolivia
- Ms Mariel Vilella - Administrator Spain
- Ms Emilie Johann - Administrator France
- Mr Stephen Boucher - Administrator Belgium
- Mr Tomas Wyns - Administrator Belgium
- Mr Peter Newell - Administrator UK
- Mr Juergen Maier - Administrator Germany

General Assembly  
Members

- Mr Peter Bosshard
- Ms Barbara Haya
- Mr Wael Hmaiden
- Ms Nina Jamal
- Ms Alyssa Johl
- Ms Falguni Joshi
- Mr Michael Lazarus
- Mr Axel Michaelowa
- Ms Sabine Minninger
- Mr Mahesh Pandya
- Mr Neil Tangri
- Mr Wendel Trio
- Ms Nusa Urbancic
- Mr Naoyuki Yamagishi
- Mr Samir Mehta
- Mr Tim Gore
- Mr Patrick Schroeder



Channels

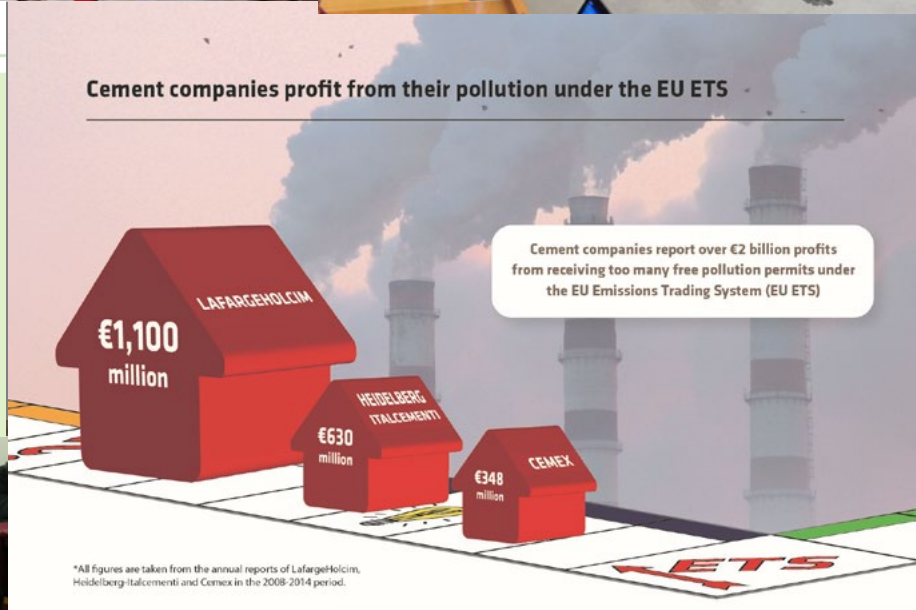


### Carbon markets in the Paris Agreement: Civil society priorities for the future

Carbon Market Watch COP22 Side Event

Date: Tuesday 8 November 2016, 15.00-16.30  
Venue: Room Pacific (150)

\* Required



**Joint Statement by CEE civil society organisations on implementing the Paris Agreement**

4 November 2016

We, the undersigned 20 organisations from Central and Eastern European (CEE) countries and others supporting the cause welcome the entry into force of the Paris Agreement and call on Europe's leadership to help put this historic climate deal into practice.

Implementing the Paris Agreement to limit global warming to 1.5°C should be a key priority for Europe in the coming months, to ensure that the global commitments are turned into effective domestic action.

CEE countries are vulnerable to the impacts of climate change, and face challenges to benefit fully from the transition to a low-carbon economy. EU's climate policies, if designed correctly, provide important tools to help secure the climate friendly transformation of our societies and maximise its benefits such as cleaner air, protected and restored forests, reduced energy poverty, more liveable cities and creation of jobs. The ongoing reforms of EU climate policy provide a unique opportunity to support the achievement of these outcomes.

The EU's main climate tools - the EU's Emissions Trading System (EU ETS), the Effort Sharing Regulation (ESR) and the land use and forestry regulation (LULUCF) - need to be aligned with the objectives agreed in Paris as well as provide CEE countries with the necessary tools and resources to embark on this low-carbon transition. Most importantly, the EU's 2030 domestic reduction target has to be raised to at least 55% as part of the post-Paris review cycle.

More specifically, we call for an:

EU ETS that:

- Delivers a meaningful carbon price that incentivises the rapid and complete phase-out of fossil fuels across Europe.
- Provides support for our countries' transition from a fossil fuel based economy to one powered by renewable energy and energy efficiency.
- Prohibits investments that benefit new and existing fossil and nuclear energy generation or increase import dependency, in line with the EU's commitment to phase out fossil fuel and other environmentally harmful subsidies by 2020, for example by setting stringent investment criteria for the Modernisation Fund and Article 10c.

1/2

## Decarbonising Europe's energy intensive industries

### The Final Frontier

Tomas Wyns & Matilda Axelsson

Institute for European Studies  
Vrije Universiteit Brussel



### FlightPath1.5

by FlightPath 1.5 category: Environment

"I support a robust aviation climate agreement at #ICA0A39 & I'm asking my government to JOIN NOW!  
<http://thndr.me/LH4XSq>"

KAMESE GEOFFREY- National Association of Professional Environmentalists (NAPE)

SUPPORTERS: 751 of 250  
SOCIAL REACH: 1,174,804  
TIME LEFT: Complete





*Please consider the environment before printing*



**For more information see: [www.carbonmarketwatch.org](http://www.carbonmarketwatch.org)**

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