

# Progress on the emerging mechanisms

**PMR Partnership Assembly (PA8)**

Mexico city, Mexico, 3 March 2014

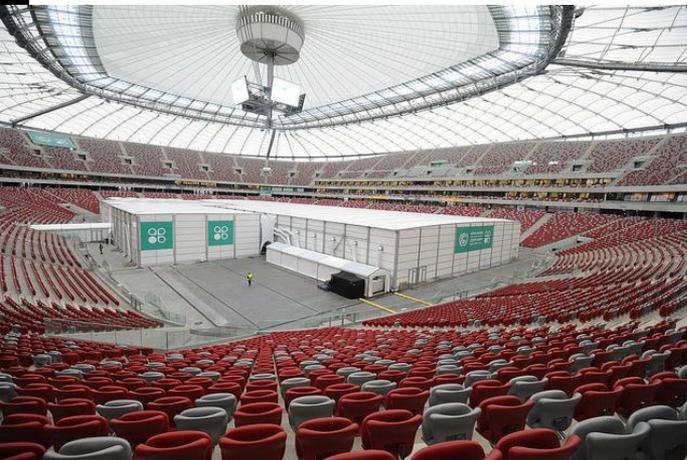


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# ASPIRATIONS AND MANDATES

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- **COP 18:** 3 SBSTA work programmes to elaborate FVA, NMM and NMA and recommend draft decisions for adoption by COP 19
- **SBSTA 38:** discussed the role and technical design of FVA and NMM and the scope and purpose of the NMA and agreed on activities before Warsaw, including technical syntheses and 3 workshops
- **SBSTA 39:** no outcome. Despite the intensive discussions and drafting, the SBSTA could not reach an agreement in Warsaw and the issues are forwarded to SBSTA40 with the view to decisions for adoption by COP20 in Lima



# FRAMEWORK FOR VARIOUS APPROACHES (FVA)

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- FVA is not defined yet
- Emerging as a coordination type mechanism to oversee & facilitate the international aspects of market-based and non-market-based approaches, including the generation of internationally tradable mitigation units and outcomes that can be used for compliance under the UNFCCC
- It is expected to produce common rules to:
  - Safeguard environmental integrity
  - Avoid double counting
  - Arrange accounting of units under the Convention



# NEW MARKET-BASED MECHANISM (NMM)

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- Defined in Durban (COP17), but not operational yet
- Emerging as a top down model to generate tradable reductions that can be used for compliance under the UNFCCC with flexibility for bottom-up implementation
- NMM could be different from the KP mechanisms in terms of ambition and scope by
  - Going beyond offsetting
  - Creating units under the Convention
  - Allowing trading for developing countries
  - Up-scaling action



# NON-MARKET-BASED APPROACHES (NMA)

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- NMA is not defined yet.
- Emerging as a means for cost-effective and measurable mitigation and incentives for carbon-pricing without the creation of internationally transferable units
- Countries need a mix of market and non-market-based approaches in their response to climate change
- In some cases non-market-based approaches are more cost-effective or suitable than market-based approaches



# MAIN ISSUES DISCUSSED IN WARSAW

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- Establishment of an information sharing platform under the FVA, issues for information-sharing and follow up
- Definition of the scope and purpose of FVA and NMA
- The relation between the FVA, NMM and the NMA
- The relation between NMA, finance and other NMA mechanisms
- Guidance on the purpose of the NMM, content of the modalities and procedures, share of proceeds, technical work on registration and tracking
- Relation to increase of ambition, provision of support, ratification of the Doha amendment and to the content of the 2015-agreement



## OTHER RELEVANT OUTCOMES IN WARSAW

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- **ADP:** promotion of voluntary cancelation of CERs to close the mitigation gap by 2020, call for submission of NAMAs, time path to communicate contributions (Q1 2015) and a call for provision of support to developing countries to prepare their nationally determined contributions
- **REDD+:** arrangements to start non-market REDD+ activities
- **MRV:** the MRV mechanism is now complete



# FURTHER INFORMATION

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**E-MAIL:** [mechanisms@unfccc.int](mailto:mechanisms@unfccc.int)

**WEB PAGE:** [http://unfccc.int/cooperation\\_support/market\\_and\\_non-market\\_mechanisms/items/7551.php](http://unfccc.int/cooperation_support/market_and_non-market_mechanisms/items/7551.php)



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