UPDATE ON THE ETS HANDBOOK

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Content

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Background and Objectives

- Develop a ‘how to’ handbook on the practicalities of establishing and operating an ETS...
  - Highlighting design options and their operational, economic and political risks and benefits
  - Empirically rich through broad consultation of ETS practitioners: policy makers, private sector, academia, and NGOs
  - Capturing the experience accumulated including in the EU, Norway, Switzerland, North America, China, New Zealand, Kazakhstan, Australia, Republic of Korea, and Japan
- ... to provide knowledge and practical guidance to policy makers interested in ETS and other market-based mechanisms
- Collaboration between PMR and ICAP: joining resources, expertise, and participants
- Financial support from Germany (BMUB)
Organization (1)

❖ Project team

- PMR and ICAP Secretariats
- Editors – Mr. Felix Matthes (Öko-Institut), Mr. Duan Maosheng (Tsinghua University), and Mr. Michael Mehling (MIT)
- Consultants – Environmental Defense Fund (US) and Motu Economic and Public Policy Research (New Zealand), supported by a roster of key experts from various organizations
- ETS Focal Points – Policy makers in ETS jurisdictions nominated by PMR and ICAP Participants

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Timeline

Dec. 14  Feb. 15  June 15  July 15  Sept. 15  Oct. 15

WRITING  CONSULTATIONS  REVIEW  PUBLISHING  LAUNCH EVENT
Expert Consultation Process

- **Questionnaire (February-March 2015)**

  First engagement with ETS Focal Points and key experts (incl. private sector) to collect feedback on:
  - Proposed outline
  - Common misunderstandings and FAQ on ETS design and implementation
  - Most important lessons learned
  - Useful policy documents and references (e.g. ETS evaluations)

- **Follow-up phone interviews (March-April 2015)**

- **Physical working meetings with ETS Focal points (and relevant colleagues) in ETS jurisdictions (April-May 2015)**

- **Review draft chapters of the ETS Handbook (June-July 2015)**
Joint Deliverables (1)

- ETS Handbook - Outline (under review)
  - Summary for policy makers
  - Introduction and roadmap
  - CORE CHAPTERS
    - Bring it all together: phase implementation
    - Technical annexes
    - Bibliography

- Step 1: Why an ETS?
- Step 2: Decide the scope
- Step 3: Set the cap
- Step 4: Distribute allowances
- Step 5: Set timeframes for compliance
- Step 6: Support market stability
- Step 7: Ensure oversight and compliance
- Step 8: Communicate and build capacities
- Step 9: Link with other systems
- Step 10: Evaluate and improve the ETS

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Joint Deliverables (2)

- **ETS Handbook - Structure of chapters (under review)**
  - Summary of key design and implementation issues
  - Definition of the building block, and role in successful ETS operation
  - A high-level presentation of theoretical and strategic considerations
  - Balanced description of implications and associated benefits/risks for different options
  - Descriptive case studies, comparative analysis and lessons learned, highlighting differing rationales and evolutionary processes across jurisdictions
  - Consideration of phased approaches for implementation
  - Quick quiz
  - Short list of Frequently Asked Questions
Joint Deliverables (3)

- Carbon Expo (May 2015): consultation and communication (TBD)
- Launch event (October 2015): on the margins of a PMR or ICAP meeting
- Possible follow-up work
  - Support in-country training?
  - E-learning?
  - ... to be discussed
Thanks again for your contribution!

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