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Introduction to Carbon Markets

ICAO – Seminar - Montreal

Ms. Sophy Greenhalgh
Director – IETA



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Introducing IETA

Established in 1999, IETA is the collective voice of stakeholders on carbon pricing, it represents the “carbon market”

An international non-profit association holding cross sectoral businesses implementing carbon pricing – business, project developers, investors, lawyers, verification bodies, carbon standards, retailers/brokers and sustainability consultants, climate change advisors.

Policy design, thought leadership, global capacity building, best practice, knowledge transfer

Global Partnerships & Dialogues with UNFCCC, World Bank, OECD-IEA, IATA - other multilateral organisations.

The screenshot shows the IETA website homepage. At the top left is the IETA logo. Below it is a navigation bar with links for HOME, MEMBERS ONLY, IETA COUNCIL, ABOUT IETA, and NEWS. The main content area features a section titled "MARKET SOLUTIONS FOR CLIMATE CHANGE" with a sub-section "IETA INSIGHTS" and a large green number "4". Below this is a "WHO WE ARE" section with three columns of text describing the organization's vision, relationships, and member enablement. At the bottom, there is a banner for "IETA @ COP23 FIJI" and a section for "OUR MEMBERS" listing partners like Commonwealth Bank, firstclimate, Marubeni, and VCS.

MARKET SOLUTIONS FOR CLIMATE CHANGE

IETA is a nonprofit business organisation created in 1999 to serve businesses engaged in the field of carbon markets. Our objective is to build international policy and market frameworks for reducing greenhouse gases at lowest cost.

WHO WE ARE

- Our vision is a single global carbon price produced by markets of high environmental integrity. We pursue this vision with an eye to pragmatism, political reality and sound economics.
- With deep relationships in key policy centres and commercial arenas, IETA is the collective voice for the full range of businesses involved in carbon pricing - all around the world.
- We enable our members to capture opportunities, mitigate risks and manage uncertainties of global carbon policy.

IETA @ COP23 FIJI
19-23 NOVEMBER 2017
BONN 2017

OUR MEMBERS

Commonwealth Bank, firstclimate, Marubeni, VCS

2018 EVENT & PUBLICATION CALENDAR



Carbon Pricing



Government implements carbon price, paid by polluters



Costs of emissions-intensive fuels and goods rise. Revenues are allocated to reduce distortionary taxes, to benefit households, or for other productive uses.



GREEN ALTERNATIVE

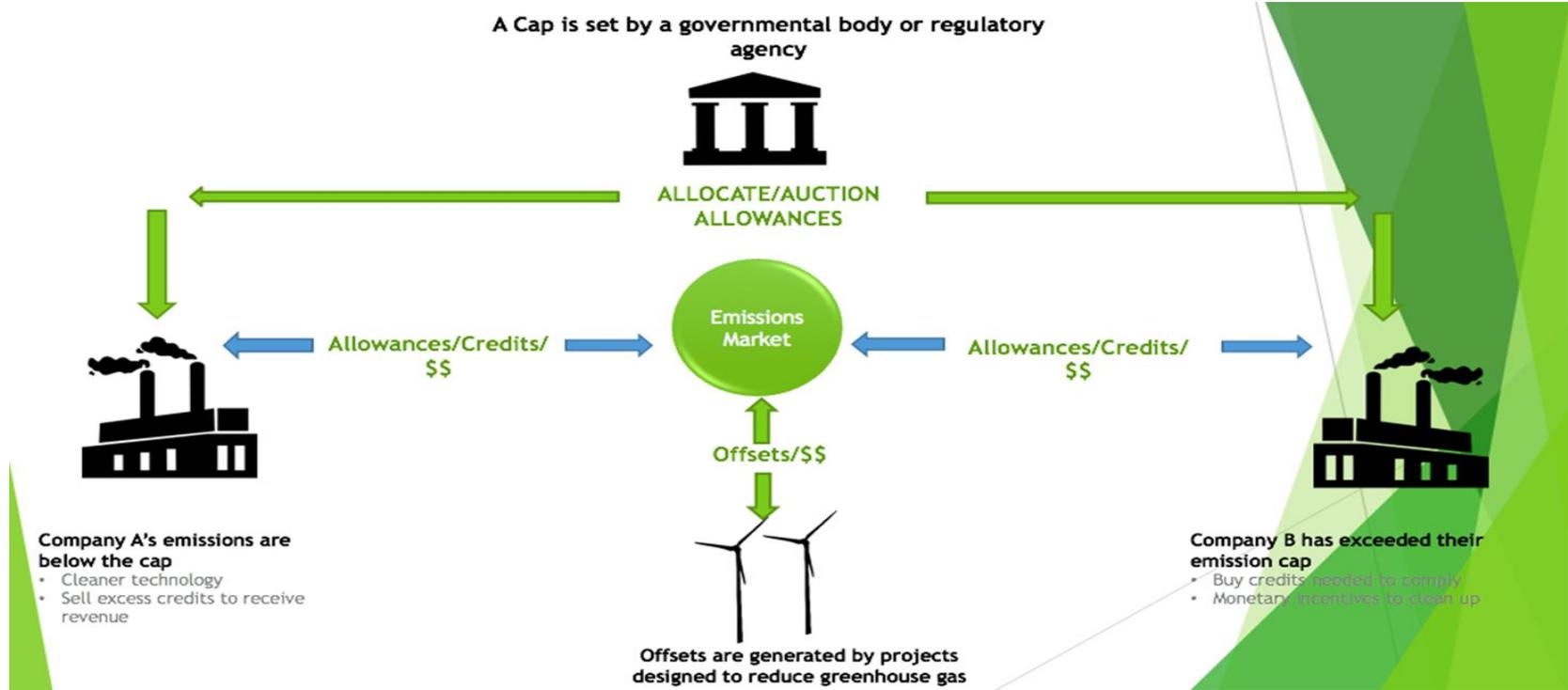


Renewable energy and low-emissions goods become more competitive. Low-carbon innovation is encouraged and emissions fall.



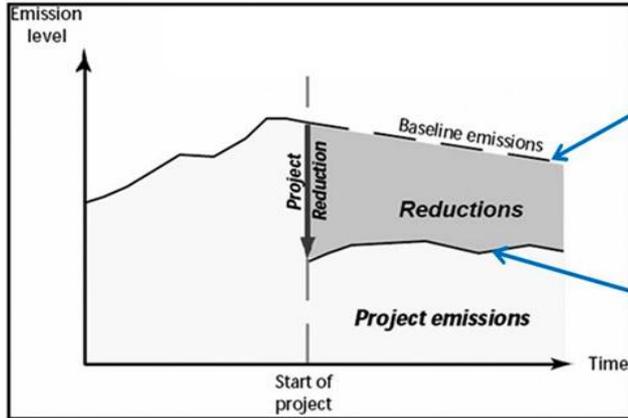
Emissions Trading Schemes

A Cap is set by a governmental body or regulatory agency



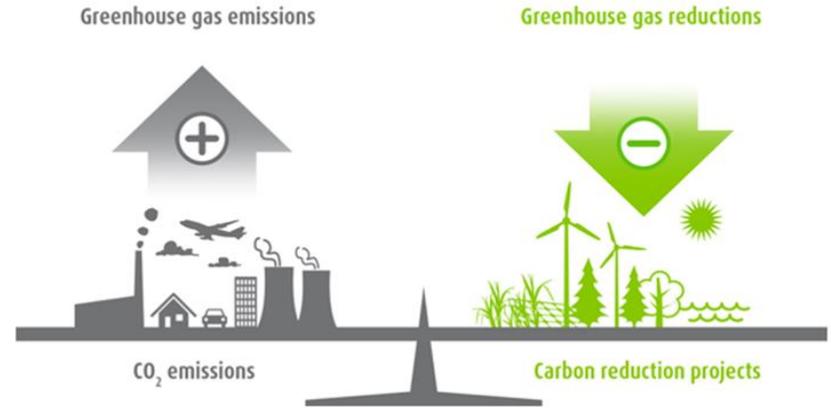


Baseline and credit mechanisms



'Business as Usual' reductions

Additional reductions



Generate emission reduction units that can be used in compensation and offsetting



Emission reduction units uses



NDC Targets



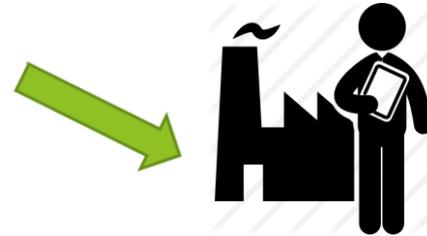
CORSIA



Voluntary Business Actions



Global climate funds



Emissions Trading Schemes





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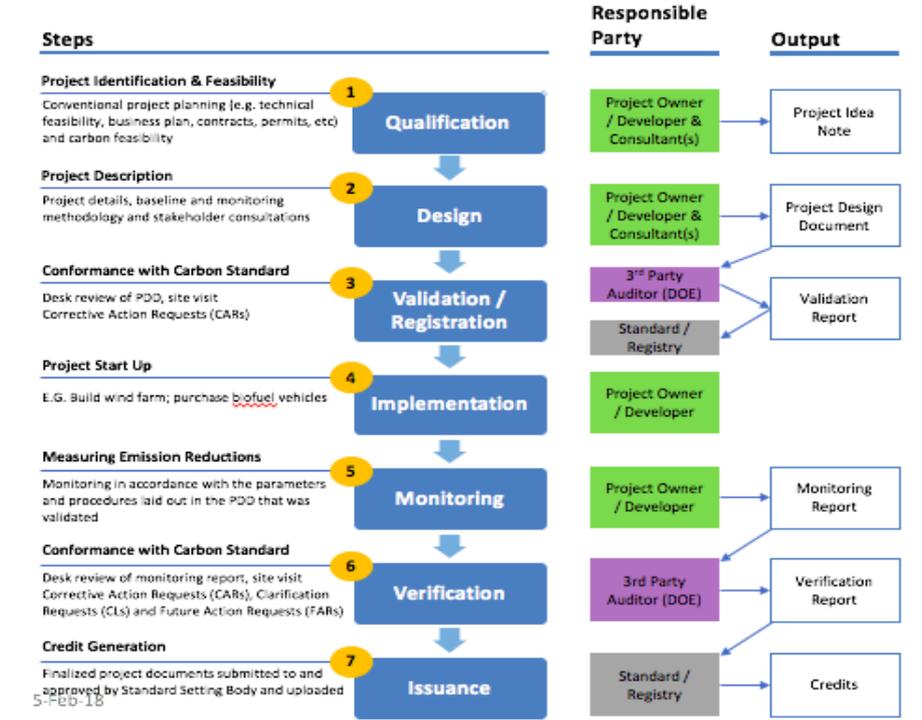
GHG reduction projects around the world





Generating emission reduction units

- Real
- Measureable
- Permanent
- Additional
- Independently verified
- Unique
- Does no harm





The role of standards and certification programmes



American Carbon Registry



Clean Development Mechanism (CDM)



Climate Action Reserve



Gold Standard



Joint Implementation (JI)



Australian Government
Department of the Environment and Energy

Emissions Reduction Fund (ERF) of the Australian Government



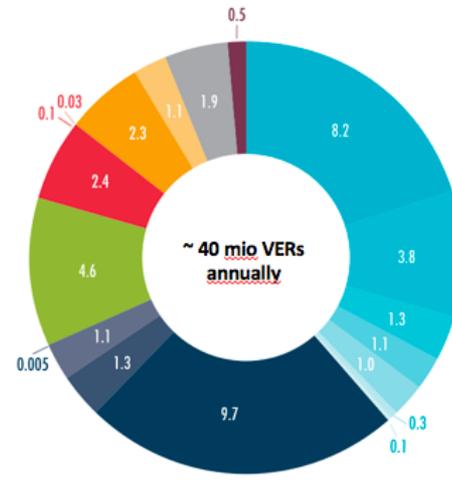
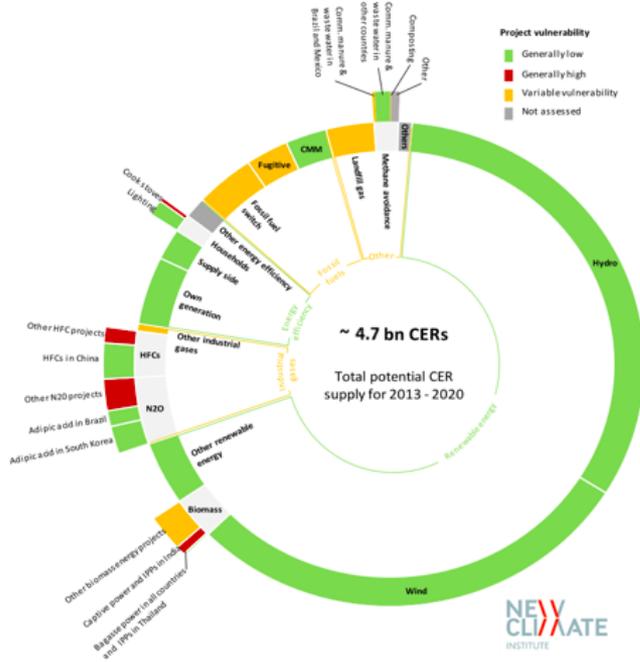


Value chain of the carbon market





Supply in current global context



- RENEWABLES**
 - Wind
 - Large hydro
 - Biogas
 - Biomass/biochar
 - Run-of-river hydro
 - Solar
 - Geothermal
- FORESTRY AND LAND USE**
 - REDD (Combined)
 - Afforestation/reforestation
 - Improved forest management
 - Grassland/rangeland management
- METHANE**
 - Landfill methane
- EFFICIENCY AND FUEL SWITCHING**
 - Energy efficiency—Community-focused (targeting individuals/communities/housing/campuses)
 - Energy efficiency—Industrial-focused (targeting corporations/industrial processes)
 - Fuel switching
- HOUSEHOLD DEVICE**
 - Clean cookstove distribution
 - Water purification device distribution
- TRANSPORTATION**
 - Transportation—private (cars/trucks)
- OTHER**
 - Other



Supply estimates up to 2020

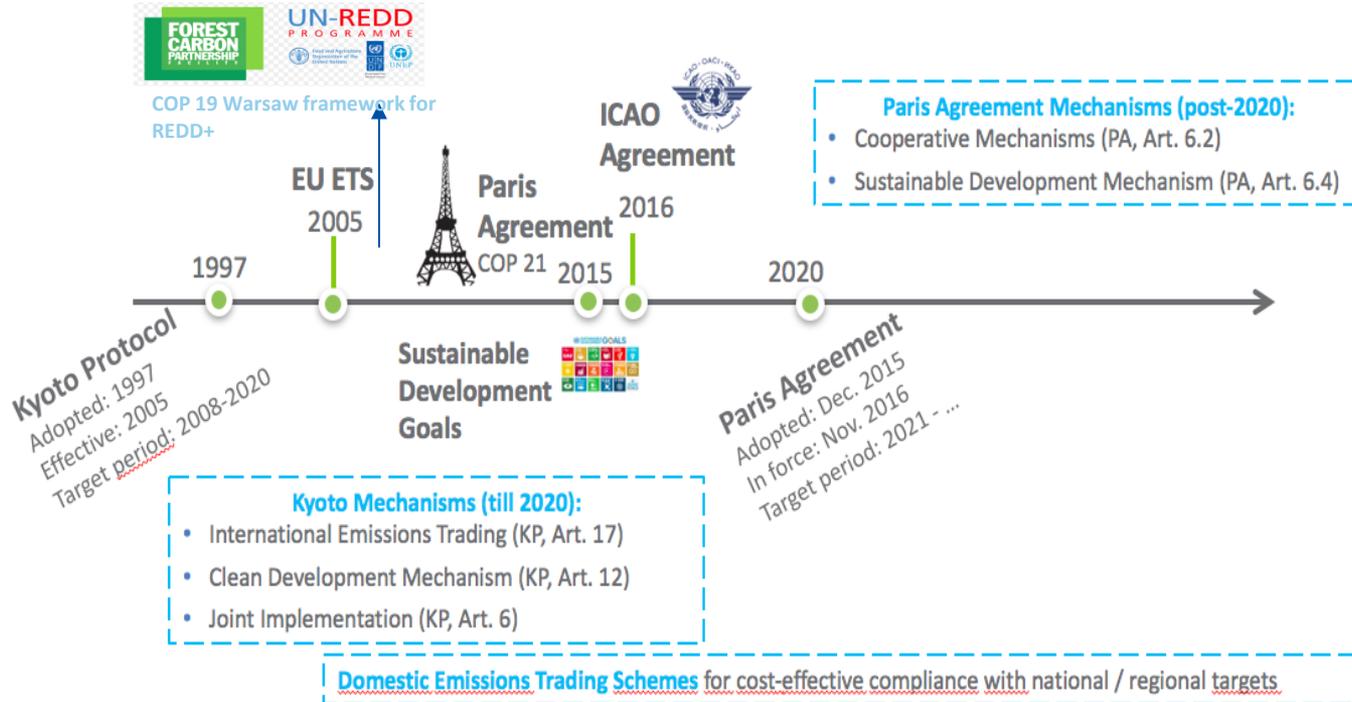
CDM pipeline 2013-2020 [Mt]	
Total	8695
Not expected to be issued	5558
Potential issuance	2322
Expected issuance	500
Issued	315

Source: Climate Focus

Voluntary market pipeline annual volume [Mt]	
VCS REDD+ (30-40 yrs)	~ 40-50
Gold Standard (7-10 yrs)	~ 10-20
+ other standards (ACR, CAR, others)	

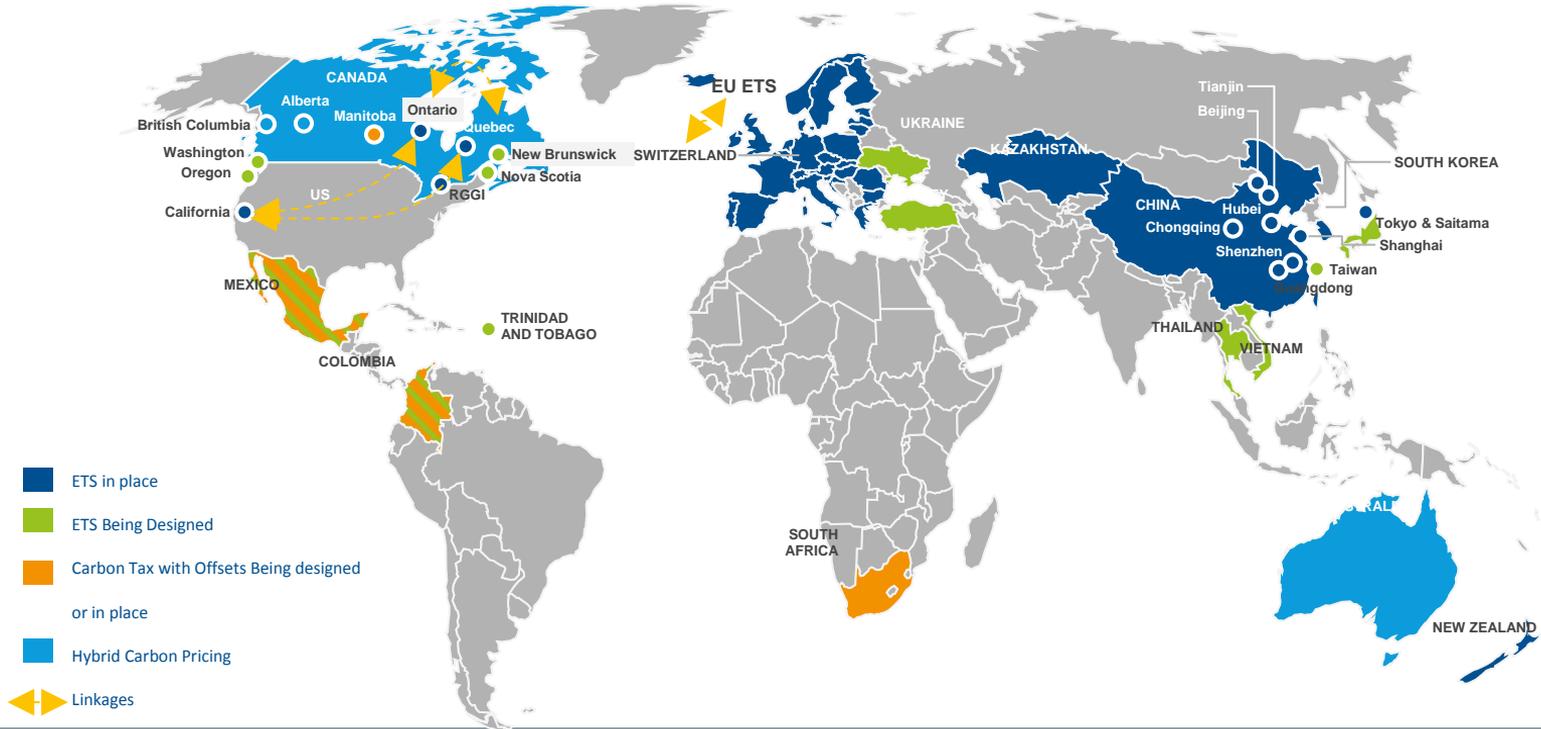


Global Policy Dynamics





Carbon markets worldwide





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South American
(SAM) Office
Lima

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Headquarters
Montréal

Western and
Central African
(WACAF) Office
Dakar

European and
North Atlantic
(EUR/NAT) Office
Paris

Middle East
(MID) Office
Cairo

Eastern and
Southern African
(ESAF) Office
Nairobi

Asia and Pacific
(APAC) Sub-office
Beijing

Asia and Pacific
(APAC) Office
Bangkok



THANK YOU