

# Environmental integrity of cooperative approaches in a “bottom-up” world

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# Overview

The title says it all:

- ✓ environmental integrity (*contributes to Paris objective*)
- ✓ cooperative approaches (*focus on ITMOs*)
- ✓ “bottom-up” world (*not about UN negotiations*).

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Main arguments

- **Context is crucial:** environmental integrity is not just a property of an emissions unit, but depends on the partners involved.
- **Countries are key:** Cooperating countries themselves have a key role to play in determining and ensuring environmental integrity.

# Context is crucial

Old paradigm: Environmental integrity a property of an individual emissions unit.


In a “bottom-up” world, environmental integrity depends on elements relating to

1. the **partners** involved
2. the domestic **programs** generating emissions reductions
3. the **transaction**.

In considering cooperation with a potential partner, countries may want to assess these sets of elements.


# 1. Elements relating to the **partners**

Countries may want to consider:

- full participation in the Paris Agreement and satisfaction of relevant obligations
  - transparency in emissions reporting
  - ambition of the NDC
  - transparency in the nature and scope of the NDC
  - clarity around plans for domestic implementation
  - consistency with medium- and long-term vision for increased ambition.
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## 2. Elements relating to the **programs**

Countries may want to consider:

- the ambition of the program generating emissions reductions (e.g., ETS)
  - the type of program (e.g., ETS vs. crediting) and type of cap or baseline (e.g., intensity or absolute)
  - the scope and scale of the program
  - interaction with other policies
  - robustness of MRV and accounting (including over time)
  - compliance and enforcement provisions.
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### 3. Elements relating to the **transaction**

Countries may want to consider:

- legal context of the generating and acquiring partners
- registry or equivalent system for recording transaction and use to avoid double-counting.

# A note on sustainable development

Focus of the paper is on environmental integrity.

But important to ask: How can carbon market approaches under 6.2 promote sustainable development?

- ✓ Carbon markets can help to mobilize finance
- ✓ Voluntary nature of cooperation is key: “Does this cooperation advance my country’s sustainable development goals?”
- ✓ Many of the elements of environmental integrity will also promote sustainable development.



# Cooperating countries are key

Consideration of standards/criteria for environmental integrity among a coalition of countries could:

- ✓ involve the countries – and subnational jurisdictions – with greatest expertise and interest in markets
- ✓ be consistent with “nationally determined” approach
- ✓ offer “strength in numbers”
- ✓ advance further and faster than UNFCCC negotiations
- ✓ protect against a purely “laissez-faire” approach
- ✓ help ensure consistency with and integrity of other regimes such as ICAO’s CORSIA
- ✓ provide a forum for coordination on policy design.

# Role of the CMP?



# Role of the CMP?

