

New Market Mechanisms, Land-based offsets and Alternatives: Critical Considerations

TUE, 14 JUN 2011 18:15-19:45
SOLAR

New research and evidence from pilot projects suggests carbon trading will deliver neither adequate finance, nor environmental performance, nor community benefits for land-based carbon sequestration schemes such as REDD or AFOLU. The Institute for Agriculture and Trade Policy, FERN, Carbon Trade Watch and Friends of the Earth analyze carbon derivatives markets and their impacts on communities and the climate.

PANELISTS:

OSCAR REYES, CARBON TRADE WATCH

LEARNING FROM EXISTING CARBON MARKETS: THE EU ETS

Carbon Trade Watch assesses the performance of the ETS so far, showing how it has provided billions of euros in subsidies to major energy companies and industries, but failed to reduce emissions. Despite changes to the third phase of the scheme, recent evidence and projections suggest that the pattern of a surplus of permits and windfall profits looks set to continue. The presentation also looks at how the EU ETS relates to other carbon markets, and the prospects for linking the EU ETS to emerging carbon markets (eg. California) and new market mechanisms such as sectoral crediting.

STEVE SUPPAN, IATP

THE WORLD BANK'S 2011 CARBON TRADING REPORT: A HARBINGER OF GREEN CLIMATE FUND DESIGN?

IATP assesses World Bank claims that governments must provide financial and policy support for the "market-based capacity" of carbon trading to mobilize Green Climate Fund (GCF) finance and why such support may neither be optimal nor feasible for reliable and adequate mitigation and adaptation finance under the GCF.

JUTTA KILL, FERN

NEW CARBON MARKETS: IS TERRESTRIAL CARBON TRADABLE?

U.N. climate talks continue to cling to carbon trading rather than exploring the wide range of market and non-market based mechanisms available for climate finance. REDD exhibits why trading forest carbon credits will likely fail to meet minimum financial industry standards and is doomed to failure both for the climate and forests. FERN shares recent findings which show that the inability to quantify forest carbon with sufficient accuracy or reliability for trading on carbon derivatives markets makes forest carbon "unworkable" as a tradable asset. In actuality, significant investment in addressing land tenure conflicts is key to halting forest loss, irrespective of the funding source.

KATE HORNER, FRIENDS OF THE EARTH US MOVING ON FROM CARBON TRADING TO VIABLE ALTERNATIVES TO CLIMATE FINANCE

Friends of the Earth outlines existing and reliable alternatives to carbon trading to source finance for the Green Climate Fund and how these alternatives will more effectively deliver results for climate change.



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