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Editor's Note

Interlinkages between TNAs, NAMAs and NAPs

At its 6th meeting on 26-28 June of this year, the Technology Executive Committee (TEC) discussed the possible integration of Technology Needs Assessments (TNA) with other processes under the Convention, such as NAMAs and NAPs. With support from GEF, UNDP and UNEP, TNAs were completed in 94 developing countries between 2001 and 2008. Currently, TNAs are being done in 36 developing countries (see http://tech-action.org). In December last year, COP18 agreed that the TNA process should be integrated with other related processes, including NAMAs and NAPs.[1]

There are a number of reasons why integration of these processes makes sense. TNA, NAP and NAMA processes follow a similar structure with the starting point being a country's long term vision on its economic, social and environmental priorities with low GHG emissions and high resilience to climate change. This also implies that data needs and resources required are similar across processes so that efficiency gains can be achieved when harmonising or integrating projects, and rationalising actions for supporting low emission and climate resilient development across TNA, NAMA and NAPs. What such interlinkages between these processes could look like was discussed at TEC-V (26-27 March of this year)[2] and TEC-VI[3].

In short, the following possible contributions from TNAs to NAMAs and NAPs were considered by the TEC:

- TNAs prioritise technologies or measures for mitigation and adaptation which could be implemented as NAMAs or included in NAPs.
- TNAs result in portfolios of technologies with an assumed scale of implementation within a country. This information could support the determination of the scale at which NAMA and NAP actions should be implemented.
- TNAs identify actions to accelerate the implementation of prioritised technologies/measures for mitigation and adaptation at the desired scale within a country. This information could support countries in formulating action plans for NAMAs and NAPs.

For TNA processes, establishing interlinkages with NAMA and NAP processes could be beneficial, too. According to a UNFCCC secretariat background paper on this topic, prepared for TEC-V,[4] integration of TNAs with NAMAs and NAPs could result in a higher political recognition of TNA results and support the implementation of prioritised technologies under a TNA.

Given these benefits, integrating TNAs with other processes under the Convention could be an important step forward in the process of supporting technology development and transfer to developing countries. The issue here is not that there is a lack of processes and reports, but how to implement the results presented in the reports at desired scales within countries.

Such TNA/NAMA/NAP integration could also serve as an example for establishing interlinkags with other processes under the Convention. For instance, identifying technologies for supporting a country's climate and development goals is precisely in line with the definition of the CDM. Moreover, mitigation options identified through TNAs/NAMAs may well qualify for future positive lists for additionality. A logical next step may be establishing interlinkages with the New Market Mechanism.

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[1] Decision 13/CP.18, FCCC/CP/2012/8/Add.2, paras 10-13.
[2] http://unfccc.int/ttclear/templates/render_cms_page?TEC_meetings
[3] http://unfccc.int/ttclear/sunsetcms/storage/contents/stored-file-20130621092831708/TEC%20policy%20brief%20-%20TNA%20results%20and%20interlinkages_final_draft.pdf
[4] http://unfccc.int/ttclear/sunsetcms/storage/contents/stored-file-20130621092831708/TEC%20policy%20brief%20-%20TNA%20results%20and%20interlinkages_final_draft.pdf

ETS Backloading Proposal Takes Important Hurdle

After half a year full of uncertainty, the European Parliament backed a proposal to temporarily reduce the amount of allowances on the EU ETS market. Practically, this measure means that auctioning of 900 million allowances to emit GHGs will be postponed until later during the ETS third phase of 2013-2020 ('backloading'). With the measure it is hoped that ETS market prices will increase again as the estimated oversupply of almost 2 billion allowances until 2020 will be reduced with the proposal. In January of this year, the ETS price dropped to levels below €3 per allowance, contrary to over €30 in 2008 and €17 in 2009. After the European Parliament adoption of the backloading proposal, ETS allowance price went up again towards €6.

The backloading proposal has faced a difficult road towards adoption by the full European Parliament. On 24 January of this year, the Parliament's Committee on Industry, Research and Energy (ITRE) decided not to support the European Commission's proposal to retire 900 million allowances from the ETS during 2013-2015 (400 million in 2013, 300 million in 2014 and 200 million in 2015) and bring these back to the market at the end of current third ETS phase (300 million in 2019 and 600 million in 2020). This resulted in a price drop of 40% in one day. However, this did not mean the end of the proposal as ITRE's position served as an opinion and did not directly influence the Parliament's decision making process.

When, on 19 February of this year, the backloading proposal received support from the Parliament's Committee on the Environment, Public Health and Food Safety (ENVI), the lead committee on the backloading proposal, support from the full Parliament seemed to be in order. In fact, observers broadened their horizons to the European Council of Ministers' discussions on the proposal. This would be the next step after having received Parliament approval. Speculations already started on how EU Ministers would approach 'backloading' given that elections will take place in Germany this year and keeping in mind the reserved position of Poland on this issue. In both countries, there could be concerns about higher ETS allowance prices leading to higher costs for energy-intensive industries.

However, 'backloading' did not even make it through the European Parliament, which voted against the proposal on 16 April of this year. In response, the Environment Committee (ENVI) revised the proposal so that it could be reconsidered by the plenary meeting of the Parliament on 3 July. At its meeting on 19 June of this year, ENVI proposed the following amendments/conditions to the 'backloading' proposal:

1. Auctioning of 900 million allowances should not be postponed until 2019-2020 as in the original proposal, but until 2015 instead. In the amendment it was assumed that the allowances taken out of the market in 2014 would be reintroduced in the following year. This would imply a very temporary removal of allowances from the scheme.
2. Revenues from 600 allowances (out of 900 of allowance temporarily removed) covered by the 'backloading' process would be earmarked to support energy intensive industries in the EU, such as steel and chemical industries, to transit to lower emission production paths.
3. A condition was introduced that 'backloading' could only take place if the Commission determined that temporary removal of allowances and consequent allowance price increases would not result in EU industries moving out of Europe to avoid these extra costs ('carbon leakage').

On 3 July, the European Parliament in a full plenary session considered the 'backloading' proposal again, including the proposed amendments. This time, the Parliament supported the proposal (by a vote of 344 for against 311 against), but, surprisingly, it rejected the above amendments. Instead, it was decided that 'backloading' can take place as proposed with postponing auctions and reintroducing these allowances in the market by the end of the third ETS phase, instead of already in 2015-2016. The suggested amendment to earmark revenues of allowances to be loaded back in the ETS at later dates for supporting energy-intensive industries was neither adopted.

With the 'backloading' proposal passed through the European Parliament, speculations can start about the positions that the European Council of Ministers will take. Formally, the Parliament's vote implies that Member of European Parliament Matthias Groote (rapporteur for the proposal) can now discuss the proposal with the Council and the European Commission. About half of the EU Ministers seem to be supportive of the proposal, but with expected opposition from Poland and forthcoming elections in Germany and the European Parliament, the 'backloading' proposal is still surrounded by uncertainties.

Standardised Baseline for CDM Charcoal Projects

In 2010, the COP decided "that Parties, project participants, as well as international industry organizations or admitted observer organizations through the host country's designated national authority, may submit proposals for standardized baselines applicable to new or existing methodologies, for consideration by the Executive Board" (Decision 3/CMP6; FCCC/KP/CMP/2010/12/Add.2).

The idea of baseline standardisation was not new. Already during the pilot phase for Activities Implemented Jointly (AIJ) in the 1990s and after the adoption of the Kyoto Protocol in 1997, discussions were held on standardising procedures for the accounting of GHG emission reductions.[1] An important objective of the discussions was that standardising methods could contribute to reduction of transaction costs for AIJ, JI and CDM projects; a common standard reduces the need for project specific calculations. Another important argument for standardisation was that it would reduce the possibility for formulating relatively high baselines in an attempt to claim higher emission reductions.

In the course of the discussions, several options for standardisation were considered, for instance:

- Standardisation of the process with steps to be taken in a baseline determination and project monitoring process.
- Standardisation of the methodology for setting the project boundary, calculating the GHG emission factor for the baseline and determining the baseline scenario.
- Standardisation of the GHG emission factors per project type as default values.

In actual practice of JI and the CDM under the Kyoto Protocol a mixture of the above standardisation options have been applied under guidance of the JISC and CDM EB. For instance, for renewable energy production projects which supply energy to a grid but for which it cannot be clearly identified what capacity is replaced by that, standardised methodologies have been developed to identify the most relevant installations for inclusion in the baseline and to calculate a (weighted) average of their GHG emissions.

As a further step towards standardisation, approved project methodologies were consolidated where possible so that greater transparency on methods could be achieved. In addition, for small-scale projects default values were calculated and adopted under JI and the CDM.

Decision on standardised baselines for CDM

The step towards standardised baselines made at 'Cancun' in 2010[2] and worked out by the CDM EB at its 68th session (16 - 20 July 2012) enables a CDM host country (through its Designated National Authority, DNA) to propose a baseline for a project type which could be applied by all projects of that type implemented in the country.[3] Presently five standardised baselines have been proposed (http://cdm.unfccc.int/methodologies/standard_base/index.html) of which two were approved by the CDM EB on 27 May of this year (see Table 1).

Below, the main characteristics of the Standardised baseline for Ugandan charcoal projects (PSB0001) are described.

Charcoal production and use in Uganda

Charcoal is produced from biomass, such as wood, through the process of pyrolysis. In this process, the biomass is heated in an environment without oxygen resulting in a thermal decomposition. It is often used in least developed countries where it is one of the main fuels for energy use, especially in Sub-Saharan Africa. In Africa charcoal consumption increased by almost 50% between 2000 and 2009 from 20 to 29 million ton per year. This increase is largely due to the increasing share of urban households using charcoal, thereby shifting from using less unprocessed biomass. This shift is expected to grow at rates of between 4 and 10% per year.

Further shifts to kerosene or gas are considered unlikely given the relatively high costs of these fuels in comparison with charcoal. Furthermore, there is a strong cultural preference for cooking on charcoal. As a result, as argued by the standardised baseline proposers for ASB0002, "while wood remains the key fuel in most rural areas, charcoal is often the primary fuel for cooking in urban areas". This growing demand

1 See for example the EU-funded project PROBASE during 2001-2002; http://jiqweb.org/images/stories/mifiles/projects/ClimatePolicy/probase.pdf

2 Decision 3/CMP.6 defines a "standardized baseline" as a baseline established for a Party or a group of Parties to facilitate the calculation of emission reduction and removals and/or the determination of additionality for clean development mechanism project activities, while providing assistance for assuring environmental integrity"

3 Annex 32, Procedure for the submission and consideraton of standardised baselines (version 02.0).

Table 1

Standardised baseline number	Project type for which baseline can be used	Host country where baseline can be used	CDM EB decision status
PSB0001 (now ASB0002)	Charcoal projects	Uganda	Final recommendation issued (27 May 2013)
PSB0002	Clinker production	Ethiopia	Initial assessment
PSB0003 (now ASB0001)	Southern African Power Pool	Republic of Botswana	Final recommendation issued (27 May 2013)
PSB0004	Energy use in rice mill sector	Cambodia	Initial assessment successfully concluded
PSB0005	Grid emission factor for the Uzbekistan National Grid	Uzbekistan	Initial assessment successfully concluded

for charcoal fuel is an important cause of deforestation. Production of charcoal in low income countries mainly takes place informally with small-scale producers using traditional technologies. The collection of the biomass, mainly wood – usually takes place in natural forests and is often done illegally.

In ASB0002, the baseline technology for charcoal production in Uganda and similarly in countries such as Burundi, Cambodia, Kenya, Madagascar, Malawi, Mali, Mozambique, Tanzania and Zambia is a traditional kiln (an unimproved earth kiln). The main GHG emission sources resulting from traditional charcoal production under this baseline in low income developing countries are the following:

- Depletion of forests caused by collection of wood for charcoal production; this is exacerbated due to the use of inefficient technologies to convert wood into charcoal as the production of 1 kg of charcoal can require up to 10 kg of wood; and
- Emissions of methane during conversion of wood into charcoal.

Standardised baseline and approved small scale methodology for charcoal production

All standardized baselines must be applicable to a new or existing methodology. Alongside the standardized baseline, a small scale charcoal methodology was submitted. This methodology (AMS.III.B.G) was approved in November 2012. This methodology includes default values allowing for the calculation of the tonne of carbon dioxide equivalent (tCO_2e), including emissions reductions from both CO_2 and methane (CH_4), per tonne of charcoal produced. These values were calculated based on tests of the performance of charcoal production kilns in countries within similar circumstances. The data from these tests were collected in a consolidated GHG database for the informal charcoal sector which is publicly available.[4]

The standardised baseline builds upon the approved small scale methodology, providing Uganda specific default values for the fraction of non-renewable biomass (fNRB) in the country, tCH_4/t charcoal product and whether there is any legal requirement for capture and destruction of methane in the charcoal production facility. Furthermore, the standardised baseline provides a positive list of kiln types which are automatically additional.

With a standardised emission factor derived from a range of performance tests in similar circumstances conducted for the purpose of the standardised baseline, all that a project developer needs to do is take the values in the standardised baseline and methodology and multiply them with the amount of charcoal produced by an improved charcoal kiln under the CDM project. This simplification of both the baseline emissions calculations and additionality determination would imply a strong cost and time reduction. Another rationale for baseline standardisation for charcoal is that the production of charcoal in low-income developing countries takes place with largely similar and mainly traditional, inefficient technologies. The standardised baseline could therefore be fairly easily expanded to other similar countries, following confirmation of the baseline technology, assessment of the fNRB[5] and legal requirements of the country, and determination of kiln types which should be on the positive list for additionality.

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[4] http://cdm.unfccc.int/methodologies/standard_base/index.html

[5] There are default values for fNRB available for many least developed countries and small island developing states http://cdm.unfccc.int/DNA/fNRB/index.html

Effectiveness and Efficacy of Environmental Policies - APRAISE Project Update and Next Steps

As explained in earlier issues of JIQ, the EU FP7 project "Assessment of Policy Impacts on Sustainability in Europe" (APRAISE) aims at enhancing policy makers' insights on the effects of (a set of) policy instruments toward environmental goals and sustainability. For this, the project takes as a starting point that policy makers, when designing policies and selecting policy instruments, make use of the best available knowledge of how policy instruments work in terms of direction and strength towards achieving a goal and how goals can be achieved with lowest resources.

Case study analysis

In reality, however, the optimal outcome which policy makers expect to achieve by means of a given set of policy instruments (based on efficacy knowledge) is often not realized in practice. In other words, the actual effect of policy instruments (effectiveness) could in practice deviate from expectations. Such deviations are explored in APRAISE by evaluating case studies in six categories in seven EU Member States (Austria, Estonia, Germany, Greece, the Netherlands, Slovenia and the UK, see Box 1, with two case studies per Member State) with a specific focus on whether:

1 the economic or political context for policy instruments was different from the one expected,
2 the implementation of the policy instrument was hampered or facilitated unexpectedly, or
3 interactions of the assessed policy instrument with other policy instruments gave rise to deficiencies or synergies.

For this case study analysis a detailed methodology has been prepared which can be downloaded from the APRAISE website: http://apraise.org/sites/default/files/apraise_d2.2_0.pdf.

Box 1. APRAISE Case Studies

1 The policy interconnections of offshore wind energy generation and conserving marine ecosystems
2 The impact of the EU Renewable Energy Directive (focussing on biofuels for transport) and other environmental objectives
3 The impact of hydropower generation on river basins
4 Policy interactions in the field of sustainable buildings
5 Waste management – prevention, reuse and recycling of plastic package material
6 Sustainable and Energy-Efficient Development – Synergies & Trade-offs among RES-E production and EE promotion policy instruments

Quantitative analysis

In addition to a policy evaluation with help of environmental policy case studies, APRAISE also applies a set of modelling instruments to assess the influence of environmental policy instruments on the state of the environment and sustainability more generally. With this more quantitative approach ex-ante views (scenarios) can be developed on how implementation of policy instruments leads to the adoption of environmental technologies and how this supports ecological sustainability and economic performance. It helps to explore the expected impact of a policy instrument or a mix of policy instruments under different plausible futures. In APRAISE, modelling elicits the effects a policy instrument is expected to exert under optimal conditions (efficacy) and the relation of these effects to the incurred costs (efficiency).

A variety of models is used in APRAISE for efficacy and efficiency assessments, which basically serve two different purposes. The Business Strategy Assessment Model (BSAM), together with the model BALMOREL, models the decision-making process of power suppliers concerning the technologies employed for producing electricity. This combined model also shows how this decision making process is influenced by relevant environmental policies. This approach will thus represent the bottom-up perspective to the efficacy and efficiency of environmental policy instruments and provide us with ideas as to how many environmental technology devices are or will be installed and what their environmental effects will be.

By contrast, the model Global Trade Analysis Project (GTAP) in combination with VTT TIMES, models the macro-economic effects arising from environmental policy instruments and the investment in the corresponding technologies induced by them. The effects include the impact of these investments on growth, employment and foreign trade. Since, due to the logic and structure of this type of model, the maximum level of detail is limited to a set of economic

sectors, this group of models assumes a "social planner" perspective, looking at, and assessing, the relevant policy effects from a top-down perspective. Since primarily changes of the structures within or between economies are modelled, this part focuses more on the social and economic aspects of sustainability.

Analysing policy instrument interactions

While both bottom-up and top-down approaches are able to model the combined, cumulated effects of several policy instruments, only the former can model policy interaction endogenously – showing how one policy instrument possibly supports or inhibits another one in achieving its intended effect. And even the bottom-up approach is only able to model the effect of policy instruments affecting the development or employment of environmental technologies directly. In APRAISE, however, a broader understanding of interaction is employed, including for instance policy instruments affecting the environmental policy to be assessed, but being employed in other sectors and intended primarily to address completely different issues.

In order to better understand such complex interactions, quantitative modelling will be used in combination with the case studies explained above (see box 1). The qualitative parts will assess the diversity and complexity of policy interactions, while the quantitative (modelling) parts contribute absolute figures and the basic trends governing them.

It goes without saying that the level of detail of the quantitative policy instrument assessment depends directly on the complexity of the model and the size and complexity of the required data set. Some of these data are already available in the model; others have to be acquired first. At the same time, the policy instruments to be assessed, their modes of operation and the respective contexts are quite different and pose quite different challenges with regard to modelling and data gathering. Therefore, it is evident that different approaches have to be employed in the case studies under investigation. Earlier this year, the APRAISE team has analysed how the models BSAM and GTAP will be used in the case studies.

In order to assign a modelling approach to each of the case studies, the following points have been taken into account:

- In order to study market-based incentive mechanisms and their interaction, the micro-economic approaches represented in BSAM are first choice, because they allow for the direct comparison of different incentives. If, by contrast, one or even both conflicting policy areas constituting the case study are based on non-market-based, mostly regulatory instruments, it may be advisable to employ GTAP, which is less sensitive to the type of instrument employed.
- The more sophisticated a model is, the more data is needed for calibration and running the model. The same is true if a case study is rather complex. If these data are already implemented in the model, large requirements may not play a role; if, however, the data (or the majority thereof) are not yet available and have to be acquired first, a trade-off accrues questioning as to whether the output is worthwhile the effort. Eventually, it may be useful to employ another modelling tool with lesser data requirements.

According to these arguments a three-fold approach is chosen for the quantitative assessment of policy instruments in the case studies:

- Contextual factors (economic, social and political, as well as policy interactions) which influence the effectiveness of policy instruments, will be analysed with the GTAP model to the extent that the instruments are represented in available databases.
- GTAP analysis in those case studies where the data allow only one policy instrument to be observed will focus on the within-sector effects.
- Case study 6 (Energy efficiency vs renewable energies) is additionally modelled in great detail with BSAM/Balmorel.

This distinction reflects the difference between the global general equilibrium approach based on the GTAP model and a national sectoral microeconomic approach based on the BSAM model. The GTAP approach can be adopted in any case where a general equilibrium model is used, and the BSAM approach can be adopted in any case where a microeconomic model is selected, for instance when analysing the energy sector.

APRAISE Workshop on intermediate outcomes

In order to present and discuss the (intermediate) outcomes of the qualitative and quantitative analysis of efficacy, effectiveness and efficiency of environmental policy instruments, the APRAISE team will host a workshop in October of this year (Brussels, Belgium).

Details about this APRAISE workshop will follow in the next *JIQ* and on http://appraise.org.

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POLIMP - New EU Project Supporting Climate Policy Knowledge Transfer

In May of this year, the project "Mobilizing and Transferring Knowledge on Post-2020 Climate Policy Implications" (POLIMP) started under the EU Seventh Framework Programme. Over the next three years, POLIMP will facilitate a process to identify, for different policy and decision making levels, knowledge gaps about implications of possible directions of international climate policies. Subsequently, it will cover these gaps with knowledge packages produced from existing documentation and possible implications of different climate policy futures. Through series of workshops these packages will be communicated with stakeholders. In addition, POLIMP will provide an overall, on-line platform for information exchange of a wider list of contemporary and future climate policy initiatives.

The starting point for POLIMP is the current state of play of climate policy negotiations under the UNFCCC with an objective to limit global average temperature increase to 2^0C but with disagreement on how to distribute costs of mitigation efforts and formulate countries' climate policy ambition levels. In this context, POLIMP aims at providing EU policy and other (economic) decision makers with digestible information to understand possible climate policy futures and the possible impacts of these for them.

Stakeholder engagement

Based on this background, the overarching motivation of POLIMP is to facilitate exchange and transfer of information about climate policy and its implications among policymakers, market actors and general society within the EU. This will be done by identifying where knowledge gaps exist and how these gaps can be filled. The aim is to provide stakeholders with better insights on implications of possible international climate policy directions, so that they can take well informed decisions with reduced uncertainties and mitigated risks.

To achieve that, POLIMP will:

a. build upon knowledge of the existing and future climate policy developments, which will be efficiently assimilated,
b. provide the existing stock of evaluation outcomes of various climate policy scenarios widely in a comparative manner, and
c. actively trigger the exchange of targeted information to targeted actors in order to promote effective and efficient climate policy implementation.

In terms of significance, the information exchange and outreach of the third component is predominant within POLIMP, but the logical flow of the other two components is required to reach the expected impacts.

Climate knowledge gaps

The work is organized as follows. First, the process of engaging stakeholders in the project and communicating project results with them will be established. This includes the identification of relevant stakeholder groups for climate policy making within EU Member States, but also outside the EU. It is acknowledged that the range of stakeholder groups for which international climate policy-making has implications is broad and that these groups are at different policy and decision making levels. Therefore, an overview will be created of stakeholder interests and pressure points, which will guide the work in the subsequent POLIMP steps. As a next step, a stakeholder engagement plan will be developed where stakeholder inputs are gathered through thematic workshops focusing on climate policy issues.

Second, knowledge gaps will be identified for a range of priority issues related to climate policy making. These issues will be determined in consultation with stakeholders, but as a starting point for discussion the following three (categories of) issues are suggested by the POLIMP project:

- What would different possible international climate policy scenarios entail for EU society, business, Member States and EU as a whole, in terms of economic, social, and environmental impacts, when looking especially at likely reactions and resulting political acceptability for different groups such as those impacted by job losses and reductions in welfare, as well as potential gains?

SEVENTH FRAMEWORK PROGRAMME

European Commission

- How can EU stakeholders deliberate in an evidence-based manner about the pros and cons of these different scenarios?
- How can EU and EU stakeholders learn from design and implementation of climate policies worldwide, as well as share the experience the EU has gained in designing and implementing climate friendly actions?

In order to address these issues, the following data and knowledge will be collected:

- Status quo of climate policy negotiations and the EU climate policy discussion (including the Climate and Energy Package 2020 and longer term decarbonisation and energy roadmaps).
- Key trends and drivers, such as key economic, energy and demographic trends in EU and the rest of the world, and trends in global land use.
- Possible international climate policy developments/scenarios based on progress in negotiation processes (UNFCCC and other forums), observers' opinions, papers, interviews, *etc*., focusing especially on what the literature says about the social, economic and environmental impacts of climate policies and the resulting impact on their political acceptability by different stakeholders.
- Information about how policies and measures proposed in international climate policy making might work in terms of direction, strength and expected effects in different EU stakeholder contexts.

Climate information packages

Third, POLIMP will process these collected data and knowledge into information packages. Some suggestions for issues to be addressed in this process have been included in the work plan as a starting point although these could be amended based on stakeholder input during the project:

- The effectiveness of possible future international climate policy regimes in addressing climate change mitigation and adaptation needs and resulting objectives.
- Projected socio-economic impacts of possible international climate policy directions for different stakeholder groups within the EU.
- Opportunities for the EU and EU stakeholders to learn from design and implementation of climate policies worldwide, as well as share the experience the EU has gained in designing and implementing climate friendly actions, including the EU emissions trading scheme, sector benchmarking and technology development and transfer.

Knowledge platform

Fourth, these information packages will be communicated with stakeholders through workshops. In addition, the information will be made available through an online Knowledge Platform which will be constructed for this project. The main objective of the platform is to address knowledge gaps by presenting complex facts and data in easily understood language and in intuitively understandable structure and searchable format.

Climate policy lessons

Finally, POLIMP will draw lessons learned from the comparison of possible directions of future climate policy making and implications of these for international climate targets and EU climate, economic, environmental and social goals. It will incorporate lessons learned from the stakeholder assessments, knowledge gap identification and data collection and knowledge processing work. With these insights, recommendations can be formulated for stakeholders at different policy and decision making levels within the EU, which will support the formulation of future EU climate, economic, environmental and social policy making and enable stakeholders to effectively and efficiently deal with these policies.

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4 Universiteat Graz (UniGraz), Austria
5 Ecologic Institut gemeinnützige GmbH, Germany
6 Climate Strategies LBG, United Kingdom
7 Fundacja Naukowa Instytus Badan Strukturalnych (IBS), Poland

Böhm, S., 2013. Why are carbon markets failing?, Guardian Sustainable Business Blog, http://www.guardian.co.uk/sustainable-business/blog/why-are-carbon-markets-failing
This blog article argues that carbon markets have not been successful in the battle against climate change and therefore questions the need for scaling up current carbon market mechanisms. The author takes a more evidence based approach and concludes that carbon markets have thus far been inefficient and even corrupt. He argues that there is an urgent need for alternatives to be considered, as the world is running out of time to curb the most serious impacts of run-away climate change.

Differ, 2013. The return for Soros, the return of CDM, http://www.differgroup.com/analysis/
The authors argue that carbon markets are currently taking a count, in particular the flexible mechanisms like the CDM. Much effort is currently going into finding out how to save the CDM, but they believe this needs to be looked at from the opposite perspective, *i.e.* 'Ask not what you can do for CDM, but what the CDM can do for you'. This analysis presents an idea of how the currently low prices in the carbon markets could be an attractive investment case for a player with sufficient amounts of funds, appetite for risk and skills to manipulate a whole market. The return for this financial player could mean the return of the CDM as well.

Hermwille, L., 2013. Stabilizing Regulated Carbon Markets - Options and Ideas to Stabilize CER/ERU Prices, Wuppertal Institute, http://jiko-bmu.de/1290
With a view to stabilising carbon market prices, this Policy Brief summarizes proposed options to increase demand, as well as options to restrict supply. It focusses on options that have a short-term effect and can be implemented in a timely manner. The options were analysed regarding their potential to stabilize market prices along three main criteria: their quantitative impact, their signalling effect for the future of the carbon market and their political and market acceptability.

Only two options were found to be likely to have significant impact on the market: increasing the level of ambition would send a strong signal and could restore market participants' faith in the future of the mechanism, albeit with limitations, and use of international climate finance to purchase excess CERs via the Green Climate Fund or other vehicles.

Lecourt, S. Pallière and O. Sartor, 2013. Free allocations in EU ETS Phase 3: The impact of emissions performance benchmarking for carbon-intensive industry, CDC CLIMAT RESEARCH WORKING PAPER N° 2013-14, February 2013, http://www.cdcclimat.com/
This paper analyses the impacts of free allocation under the EU ETS to key energy-intensive sectors across Europe during 2013-2020. It explores an original data set that combines recent data from the National Implementing Measures of 20 EU Member States with the Community Independent Transaction Log and other EU documents. The analysis reveals that free allocations to benchmarked sectors will be reduced significantly compared to Phase 2 (2008-12). This reduction should both increase public revenues from carbon auctions and has the potential to enhance the economic efficiency of the carbon market. The analysis also shows that changes in allocation vary mostly across installations within countries, raising the possibility that the carbon-cost competitiveness impacts may be more intense within rather than across countries. Lastly, the analysis finds evidence that the new benchmarking rules will, as intended, reward installations with better emissions performance and will improve harmonisation of free allocations in the EU ETS by reducing differences in allocation levels across countries with similar carbon intensities of production.

Lisouskaya, Y., 2013. In Focus: AB 32 Cap-and-Trade Compliance, Carbon Credit Capital LLC, http://www.carboncreditcapital.com
In 2006, the California Global Warming Solution Act, also known as Assembly Bill 32 (AB 32), was passed. The bill mandates that California reduce its GHG emissions to 1990 level by 2020, a decrease from 596 to 427 million metric tons of carbon dioxide equivalent ($MMTCO_2e$) of GHGs. The long-term goal of the program is to achieve an 80 percent reduction from 1990 levels by 2050.The paper concludes that the energy industry is one of the biggest GHG emitters and will incur upfront costs due to the regulation of AB 32. Nevertheless, leading companies in the industry are taking steps to transition to low-carbon technologies and have started carbon sequestration projects around the world. The paper argues that in the long run AB 32 is expected to result in at least 2% less energy use in California in 2020 as a result of AB 32, creating a substantial savings for California small businesses and households.

Michaelowa, K. and A. Michaelowa, 2012. "Negotiating climate change," Climate Policy, 12:5, 527-533.
This article is the introduction to a special issue of "Climate Policy" (vol. 11, issue 5, see http://www.tandfonline.com/toc/tcpo20/12/5) which addresses climate policy negotiations from a political science

perspective. The special issue addresses: strategy in the climate change negotiations; determinants of bargaining success in the climate change negotiations; India as an emerging power in international climate negotiations; AOSIS in the UNFCCC negotiations; continuity and change in Russia's climate negotiations position and strategy; negotiating challenges and climate change.

Peters-Stanley, M. and D. Yin, 2013. Manoeuvring the Mosaic -State of the Voluntary Carbon Markets 2013, a report by Forest Trends' Ecosystem Marketplace & Bloomberg New Energy Finance http://www.forest-trends.org/documents/files/doc_3898.pdf
The 2013 State of the Voluntary Carbon Markets report shows that, in a global economy where policy solutions in support of these markets are slow to be implemented, many private companies are voluntarily internalizing the price of carbon in their business activities, as seen in their still-growing voluntary demand for carbon offsets in 2012. According to the overview, voluntary demand for carbon offsetting grew 6% in 2012, and buyers committed more than USD 522 million to offset 101 million metric tonnes of GHG emissions. The biggest voluntary buyer was the European private sector, including regulated energy utilities, with demand growing 34% to 43 million tonnes of offsets.

The market-wide survey found that 2012's voluntary actors paid a volume-weighted average price of USD 5.9/tonne – slightly down from 2011's USD 6.2/tonne, but significantly higher than the price for offsets under the UN's Clean Development Mechanism (less than USD 1/tonne) and under the EU ETS price, which last traded at 4.35 euros.

Sikkema, R., M. Junginger, P. McFarlane and A. Faaij, 2013. "The GHG contribution of the cascaded use of harvested wood products in comparison with the use of wood for energy—A case study on available forest resources in Canada", Environmental Science & Policy, Volume 31, August 2013, Pages 96–108, http://dx.doi.org/10.1016/j.envsci.2013.03.007
Some Parties (Countries) to the UNFCCC decided to include the carbon uptake by harvested wood products (HWP) in a new general accounting framework after 2012 (post Kyoto). The analysis aims to make a comparison between the cascaded use of HWP and the use of wood for energy. This paper combines the new HWP framework with an assumed increased 50 million m^3 harvest level in Canada and evaluate the impact of the GHG emissions over a 100-year period. The reference case assumes all harvested wood is an immediate CO_2 emission (IPCC default) and no substitution effects, i.e. annual GHG emissions of 41 million tonnes CO_2-eq. In the paper's wood utilization scenarios, harvested trees are allocated (in varying shares) to three end-products: construction wood, paper products and pellets for power production.

In comparison with the base case, a combination of fossil fuel substitution, material substitution and temporary carbon uptake by HWP leads to significant decreases in GHG emissions. All scenarios show annual GHG emission between 18 and 21 million tonnes CO_2-eq except for triple use without recycling (at least 24 million tonnes CO_2-eq). The papers concludes that GHG emissions of our scenarios are substantially lower than IPCC default. However, it is difficult to incorporate one single method to account for GHG uptake and emissions by HWP, due to end use efficiency and recycling options. Further GHG allocation over individual countries is not straightforward and needs further research.

Sterk, W., 2013. Update on Parties' Positions on the Framework for Various Approaches and the New Market-Based Mechanism, http://jiko-bmu.de/1293
Parties have been discussing to establish a centralised new market-based mechanism (NMM) and to consider establishing a "framework for various approaches" to govern decentralised market approaches. COP 18 in Doha decided to invite submissions of views by 25 March 2013. This policy brief focuses on aspects that are new compared to last year's negotiations. Overall, the submissions reveal only marginal conceptual or political advancement compared to last year's discussions. Most submissions are very short and do not go into substantial technical detail. The main stumbling stones seem to be political differences rather than lack of conceptional clarity.

UNEP Risoe, 2013. Profile of Emissions Reduction Potentials in Developing Countries – Summary of 15 country studies, supported by ACP-MEA & UNFCCC. www.acp-cd4cdm.org.
UNEP Risoe, with the support of the UNFCCC Secretariat and the ACP-MEA Programme (www.acp-cd4cdm.org), has decided to assess the emissions reduction potential in 15 diverse countries. While most of these countries are not seen as obvious targets for emissions reduction activities, they are nevertheless likely to be involved in some form of future emissions reduction. Consequently, 15 country reports have been developed, from which this synthesis report gathers the main messages. It is the aim of the country reports that the information provided could support actions such as the development of Nationally Appropriate

The **Joint Implementation Quarterly** is an independent magazine with background information about the Kyoto mechanisms, emissions trading, and other climate policy issues. *JIQ* is of special interest to policy makers, representatives from business, science and NGOs, and staff of international organisations involved in climate policy negotiations and operationalisation of climate policy instruments.

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Abbreviations

AAU	Assigned Amount Unit
ADP	Ad Hoc Working Group on the Durban Platform for Enhanced Action
Annex A	Kyoto Protocol Annex with GHGs and sector/source categories
Annex B	Annex to the Kyoto Protocol listing the quantified emission limitation or reduction commitment per Party
Annex I Parties	Industrialised countries listed in Annex I to the UNFCCC; countries not included in Annex I are called Non-Annex I Parties
Annex II Parties	OECD countries (listed in Annex II to the UNFCCC)
CDM	Clean Development Mechanism
CDM EB	CDM Executive Board
CER	Certified Emission Reduction (Article 12 Kyoto Protocol)
COP	Conference of the Parties to the UNFCCC
COP-MOP	COP serving as Meeting of the Kyoto Protocol Parties
DOE	Designated Operational Entity
DNA	Designated National Authority
ERU	Emission Reduction Unit (Article 6 Kyoto Protocol)
EU ETS	European Union Emissions Trading Scheme
EUA	European Union Allowance (under the EU ETS)
GHG	Greenhouse Gas
JI	Joint Implementation
JISC	Joint Implementation Supervisory Committee
LCDS / LEDS	Low carbon (or emission) development strategy
LULUCF	Land Use, Land-Use Change and Forestry
NAMA	Nationally Appropriate Mitigation Actions
NAP	National Adaptation Programmes
PDD	Project Design Document
REDD	Reducing emissions from deforestation and forest degradation in developing countries
SBSTA	Subsidiary Body for Scientific and Technological Advice
SBI	Subsidiary Body for Implementation
TNA	Technology Needs Assessment
UNFCCC	UN Framework Convention on Climate Change

JIQ Meeting Planner

2 – 3 September 2013, Manila, Philippines
Training on Programme of Activities and Standardized Baselines under the Clean Development Mechanism organised by UNDP, MDG Carbon and UNFCCC Secretariat
Contact: Alexandra Soezer, e-mail: alexandra.soezer@undp.org

26-27 September 2013, Zürich, Switzerland
International Workshop on Domestic Offset Schemes
„Towards scattered ambitions?" Swiss Foundation for Climate Protection and Carbon Offset (KliK) and the Zürich Carbon Market Association (ZCMA)
Contact: e-mail: events@klik.ch, Internet: http://www.zurich-cma.org/events/

8-10 October 2013, New Delhi, India
First India International Cleantech Summit 2013
Contact: Rita Roy Choudhury, e-mail rita.roychoudhury@ficci.com, Internet: www.ficci.com

16-17 November 2013, Warsaw, Poland
World Climate Summit
Contact: contact@wclimate.com

11-22 November 2013, Warsaw, Poland
Warsaw Climate Change Conference
Contact: http://unfccc.int/meetings/warsaw_nov_2013/meeting/7649.php

19-20 November 2013, Groningen, the Netherlands
Energy Convention 2013
Contact: info@energyacademy.org