

## Workshop Report

# Asia and Pacific Regional Workshop: Promoting CDM and Market Mechanisms

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## Executive summary

- **The workshop strengthened partnerships among all the stakeholders.** The workshop aimed to enhance the regional distribution of CDM projects and PoAs, develop capacity at the regional and sub-regional levels, and promote market mechanisms in the Asia and Pacific region. The event was jointly organized by Asian Development Bank (ADB), the Institute for Global Environmental Strategies (IGES), the United Nations Framework Convention on Climate Change (UNFCCC) Secretariat, and co-hosted by the Thailand Greenhouse Gas Management Organization (TGO). It was attended by 140 participants from 40 countries covering all CDM stakeholders. This approach should be continued and replicated in other regions.
- **CDM has realized noticeable achievements during its 10-year history.** CDM is facing many challenges, mainly resulting from the low demand for CERs and current excess supply. In response, there is a call for CDM reform, with two broad directions—the inclusiveness of CDM impacts and CDM as a multi-purposed tool. There is the need for facilitating the acceptance of CERs in compliance markets, including emerging trading schemes, ICAO, and carbon taxes. Developing CDM as an MRV tool for results-based finance or as a financial source for NAMA development of developing countries is equally crucial. CDM is a mature, advanced and recognized mechanism, with the potential to make further contributions to enhance mitigation ambition and achieve net mitigation.
- **Making contributions to sustainable development (SD) is one of the pillars of CDM.** The SD tool is a new, voluntary instrument for highlighting SD co-benefits of CDM projects and PoAs. It enhances the visibility of the CDM projects/PoAs that highlight SD co-benefits and hence gives better CER prices. However, the main barrier is the dilemma of seeking a balance between flexibility and standardization in the taxonomy. There are ongoing efforts of developing measurable indicators that reflect the economic, environmental and social dimensions of SD outcomes.
- **Standardized baselines and PoAs are the recent development of the CDM regulatory framework.** Key factors for being successful in submitting standardized baselines include the identification of right project types with both emission reductions potential and data availability, well designed survey plan with a quality check system, closely following up with the development of related guidelines, and closely work and cooperate with DNAs and the UNFCCC Secretariat. In contrast, the development of PoAs is challenging, mainly due to the time-consuming process and complicated methodologies for identifying baselines.
- **CDM has the prospect of further enhancing different mitigation actions.** CDM can be used as a tool for MRV and result-based finance. It can also be a tool for NAMAs, but with modifications. Examples of these modifications include simplifications with unduly compromising environmental integrity as well as less stringent MRV procedures that take into account of trade-offs between cost and accuracy.
- **Various market mechanisms are growing and are expected to become a new driver for promoting mitigation activities.** At the global level, about 40 national and over 20 sub-national jurisdictions are putting a price on carbon. One example that has the potential of being recognized as a Framework for Various Approach is Japan's Joint Crediting Mechanism. The development of JCM has demonstrated that this scheme is mutually beneficial, as both countries have their own national emission reduction target and need to develop opportunities for the growth of their private sectors. Convergence of carbon pricing across different mechanisms is particularly important for triggering cost-effective mitigation.
- **Domestic emission trading schemes (ETSs) have developed rapidly in Asia.** Although the implementation or operation of these ETSs is at different stages, there are already valuable experience and lessons that have been learned from these frontrunners. The piloting of ETSs in China, Korea and India indicates that enhancing the readiness for ETS development in Asia is important.

- **Voluntary carbon markets, in addition to operate as an offsetting mechanism, can make various contributions to domestic policy processes.** Although many projects demonstrate noticeable co-benefits, these co-benefits are not financially sustainable and are in general not accrued to project developers. Therefore, CDM and other financial compensatory schemes are instrumental for incentivizing project developers. Indeed, local governments are the real beneficiaries and the line ministries (ministries of health, agriculture or energy) also have a stake on co-benefits. Therefore, governments should develop a system of incentives to monetize the willingness to pay for the co-benefits generated and transfer it to the producer of the co-benefits.
- **Diversity of carbon trading schemes could lead to market fragmentation which would lose benefits of economies of scale and fail to deliver emissions reductions at scale.** Modelling research demonstrates that a smaller market will in general benefit more from linking with a bigger market.
- **Finance stood out as the single most critical issue among expectations of future carbon markets.** Innovative proposals include the creation of a “CDM track 2” which will not be used for offsetting under the compliance mechanism, but will be used as a MRV tool and for the purpose of channelling finance. Meanwhile, the existing CDM, which is called “CDM track 1”, should be maintained and continue to play a compliance role. Another proposal was the creation of a “CER+” market for covering the additional transaction costs involved with the MRV processes of SD co-benefits and offsetting corporate social responsibility actions.
- **Maintaining a hope for the CDM calls for the urgency for enhancing political willingness and global ambition of mitigation.** In the future, CDM has to be simplified and to be used practically. The fragmented market mechanisms should be linked and a unified global carbon market will be instrumental for addressing climate change globally.

## **I. The organization and objectives of the workshop**

The Asia and Pacific Regional Workshop on Promoting CDM and Market Mechanisms (Workshop agenda is attached as Annex I) took place on 13-15 October, 2014 in Bangkok, Thailand. It was jointly organized by IGES, ADB and UNFCCC Secretariat and was co-hosted by the Thailand Greenhouse Gas Management Organization (TGO). The three-day workshop was the fifth of a series of similar events that were initiated in 2010 by IGES, ADB and UNFCCC in accordance with the objectives of enhancing the regional distribution of CDM projects, developing capacity at the regional and sub-regional levels, and promoting market mechanisms in the Asia and Pacific region.

The 2014 workshop was attended by 140 participants from 40 countries, including representatives from designated national authorities (DNAs), officials from relevant government ministries, designated operational entities (DOEs), project sponsors and potential project participants (PPs), financiers, experts, and international organizations.

The workshop was mixed with plenary panel discussions, breakout hands-on sessions and interactive activities. It included extensive discussions on the topics of (1) the state of play of CDM, (2) CDM as a tool for sustainable development, (3) enhancement of participation of local stakeholders in CDM projects, (4) updates on the regulatory framework (including LoA approval process, PoAs and Standardized Baselines) with relevance to DNAs and applications beyond CDM, (5) the potential of CDM in harnessing climate change actions, (6) emerging market mechanisms under the UNFCCC process such as the Framework for Various Approaches (FVAs) and New Market Mechanisms (NMMs), (7) emission trading schemes (ETS) in Asia, (8) the relationship between voluntary markets and nationally appropriate mitigation actions (NAMAs), (9) prospects and challenges for carbon market linkage, (10) future carbon market expectations, and (11) the preparedness for the new regime. All presentation materials are available on IGES's website <http://www.iges.or.jp/en/climate-energy/mm/20141013.html>.

## **II. Summary of the proceedings**

### Session 1: CDM, the State of Play

It was widely recognized that CDM, the first truly global mechanism of its kind and in a new carbon market without any experiences on the ground, has realized noticeable achievements during its 10-year history. The highlights of CDM success include the introduction of the additionality concept as well as the realization of true GHG emissions reductions. Quantitatively, the world has developed over 7,750 registered CDM projects and PoAs in 100 countries; 155 countries that represent over 75% of the countries in the world have involved in CDM; 1.5 billion CERs have been issued and €4-20 billion has been saved by EU ETS installations from 2008 to 2012 through CER purchases; CDM has generated approximately US\$215 billion investment in GHG reduction activities and has contributed US\$190 million to the Adaptation Fund; and around 200 GW of installed renewable energy capacity was generated by CDM. Overall, CDM has delivered not only offsets, but also capacity, know-how, finance, adaptation funding and sustainable development co-benefits.

However, CDM is facing many challenges, mainly resulting from the low demand for CERs and current excess supply. In response, there is a call for CDM reform with two broad directions—the inclusiveness of CDM impacts and CDM as a multi-purposed tool. More specifically, there is the need for facilitating acceptance of CERs in compliance markets, including emerging trading schemes, ICAO, and carbon taxes. In addition, developing CDM as an MRV tool for results-based finance or as a financial source for NAMA development of developing countries is equally crucial. In short, CDM is a mature, advanced and recognized mechanism with the potential to contribute to further mitigation ambition and net mitigation.

Currently, there are several financial opportunities for CDM projects, including the initiatives of ADB (i.e., Carbon Market Program, Asia Pacific Carbon Fund, Future Carbon Fund, Technical Support Facility, and Japan Fund for Joint Crediting Mechanism) and the World Bank (Partnership for Market Readiness, Pilot Auction Facility for Methane and Climate Mitigation, Carbon Partnership Facility,

BioCarbon Fund Initiative, and Forest Carbon Partnership Facility), CDM loan scheme, voluntary cancellation of CERs, and the Green Climate Fund (GCF).

During the Q&A session, one DNA suggested more clarifications of the net mitigation concept as it was discussed at the SB 40 and has appeared as a new term in the working papers. It was also suggested that voluntary cancellations of CERs should be done mandatorily. The Secretariat responded that UNFCCC cannot regulate this issue and it needs to be done by each country at the national level.

### Session 2: CDM, a tool for sustainable development

Making contributions to sustainable development (SD) is one of the pillars of CDM. The Board approved a new, voluntary tool for highlighting SD co-benefits of CDM projects and PoAs and getting better prices for CERs. The easy-to-use SD tool produces a description report of SD co-benefits by using a checklist approach via three steps with menu of generic dimension, criteria and indicators. However, the main barrier to the development of the SD tool is the dilemma of seeking a balance between flexibility and standardization in the taxonomy. On one hand, the SD tool aims to give freedom to the host country in developing SD co-benefits; on the other hand, no standardized, widely acceptable criteria for monitoring SD are available. The next big step will be the introduction of the voluntary use of the SD tool into the regulatory framework.

The experience shared by a PP in applying the SD tool for developing biogas PoAs in the poorest rural area of China demonstrated that the incentive for PPs is to gain more visibility of their projects to potential clients by highlighting SD co-benefits. However, the SD tool has so far raised low awareness and few people have heard of the SD tool. Similarly, the DNA from the Philippines also highlighted the challenges of measuring and monitoring SD co-benefits and shared the ongoing efforts of developing measurable indicators that reflect the economic, environmental and social dimensions of SD outcomes. In general, research evidence shows that CDM has help promote co-benefits and demonstrating co-benefits has made CDM projects much more attractive and feasible.

Queries and clarifications were raised during the Q&A session with regard to the additional requirements of SD tool reporting, comparison with other voluntary certification activities like gold standards, monitoring complexities and the impacts of project co-benefits.

### Session 3: The Breakout session for CDM as a tool for sustainable development

The breakout session for Group 1 &2 focused on sharing best practices to identify and monitor SD for a CDM project/PoA throughout its lifetime. The DNAs discussed the following questions: (1) What are the DNA's criteria for assessing SD from CDM projects/PoAs? (2) Who (i.e., which agency) is responsible for checking SD and at which stage of the LoA approval process to carry out this assessment? (3) How is the process carried out for assessing the CDM project's contribution to SD in the host country? How do DNAs monitor SD of a project throughout its lifetime? If the DNA does not monitor, how it could be done? and (5) How could the Secretariat support DNAs in assessing and monitoring SD co-benefits?

One DNA pointed out that one empirical challenge of carrying out SD assessments resulted from the legal boundary as a DNA. As the DNA resides under the Ministry of Environmental Protection (MEP), assessing social and economic outcomes is beyond the responsibility and capacity of the MEP. Other DNAs mentioned their limited human capacity for conducting SD evaluation internally and the need for outsourcing SD evaluation to external contractors. There were also several DNAs who are from the countries that have just started CDM and therefore evaluating SD is a question beyond their current focus.

The breakout session for Group 3 & 4 was designed for PPs to share practical experiences in identifying SD co-benefits. PPs that have used the SD tool highlighted that the SD outcomes presented by a video provide transparency to potential buyers and increase the attractiveness of their CERs. In addition to

the Gold Standard, demonstrating SD co-benefits is an additional resource for advertising. The verification of SD outcomes, which is an optional process, was also much discussed. PPs urged for a list of good verifiers, as currently no such a list is available that identifies accredited SD verifiers under the UNFCCC. PPs also raised the point that the 76 comprehensive indicators listed under the Global Report Initiative are globally accepted and used indicators for sustainability by many companies. In contrast, the indicators of the SD tool are laxer and difficult to verify due to the qualitative way of defining the significance of the indicators (non-applicable, slightly, partially and highly). Finally, PPs called for a clear definition of the baseline for each indicator for the purpose of comparing the results from different SD reports of similar type and scale of CDM projects/PoAs.

#### Session 4: Enhancement of participation of local stakeholders, the key to success of CDM

The right to public participation in decision making is recognized in the context of environmental issues, including climate change. Robust stakeholder consultation standards are required under existing international obligations and under CDM.

#### Session 5: Updates of the regulatory framework with relevance to DNAs and applications beyond CDM

The session started with the updates of current requirements and procedures for issuing LoAs; the process for dealing with letters from DNAs that withdraw approval/authorization; current PoA development and PoA rules; and submission and post submission steps of standardized baselines (SBs). In addition, DNAs from Nepal and Armenia shared their experiences of developing a LDC PoA case study and submitting a standardized baseline, respectively.

PPs agreed that the development of SBs has brought large environmental, economic and social development benefits. Key factors for being successful in submitting SBs include the identification of right project types with both emission reductions potential and data availability, well designed survey plan with a quality check system, closely following up with the development of related guidelines, and closely work and cooperate with DNAs and the UNFCCC Secretariat.

PPs also highlighted the challenges in the development of PoAs. In particular, complicated methodologies and identification of baselines process are not only time consuming but also have led to different understandings between DOEs and PPs, which further delay the development of PoAs. This also causes the post-submission challenges in incompleteness pertaining to the documentation and the methodology, as well as the sampling. PPs recommended that there is the need for simplifying requirements of PoAs and enhance capacity building not only for DNA, but also for both PPs and DOEs to build a common understanding of POAs requirements.

#### Session 6: Breakout session for LoA approval process, PoAs and standardized baselines

The breakout session for Group 1 focused on sharing best practices for the LoA approval process. The session focused on the following discussion questions: (1) What do DNAs need to check for different kinds of CDM projects, PoAs and multi-country PoAs? and (2) How can DNAs set up standard LoA content based on different types of CDM projects/PoAs?

Practical experiences of the LoA issuance process were presented by Bangladesh and Viet Nam DNAs. It is important to highlight that, as per the Vietnamese LoA procedures, the issuance of a LoA takes 38 days. This defined timeframe to approve a LoA shows that this DNA has established an organized, consistent and short process that allows for predictability and better organization of the CDM project proponents. With regard to the challenges, both DNAs coincided on the need of continuing increasing awareness and knowledge on CDM issues among DNA staff and managers, policy makers, experts, enterprises, general public, private sector and NGOs. They also pointed out that financial sources for CDM activities in their countries are limited in view of the global price of the CERs.

The exercise of developing standard LoA templates for different types of projects was well received by DNAs. Some mentioned that they have developed similar standard LoAs according to CDM and their own internal requirements. A number of DNAs found very useful the templates that the UNFCCC Secretariat provided during this exercise to develop their own LoA templates based on internal needs and requirements in addition to the related CDM rules and procedures.

The breakout session for Group 2 was dedicated to the discussion of developing and submitting SBs. The presentation made by the Cambodia DNA generated heated discussions with regard to the process of second stakeholder consultation, the additionality requirement, the timeframe of developing and submitting this standardized baseline, and the application of it. The Cambodia DNA called for further improvements for the SB related guidelines, including providing flexibility in terms of data vintage, threshold for baseline and additionality, options for demonstrating technology/fuel/feedstock penetration, options for demonstrating additionality, the use of partly incomplete data and information with certain treatment, and the role and responsibility as a DNA for developing and maintaining data.

The breakout session for Group 3 & 4 was designed for PPs and DOEs to enhance their understandings of the PoA concept as well as the requirements for validation, registration, monitoring, verification and issuance of CERs. Several DOEs shared their case studies of validating and verifying PoAs, explained current guidelines of sampling, and discussed the possibilities of developing multi-country PoAs.

#### Session 7: Potential of CDM in harnessing climate change actions

CDM, during its 10-year history, has been able to contribute much beyond the most optimistic expectation at the time. It has evolved with many improvements and substantial milestones such as PoAs and SBs. In the future, CDM has the prospect of further enhancing different mitigation actions, including its use as a complementary instrument to promote national climate related policies of the host countries.

CDM can be used as a tool for MRV and result-based finance. The World Bank is developing two initiatives, namely the Carbon Initiative for Development (Ci-Dev) and the Pilot Auction Facility (PAF), that aim to use CDM and market mechanisms to support innovative climate finance. In addition, CDM can be a tool for NAMAs, because NAMAs (except for some infrastructure functions including capacity building and overall management) essentially consist of a collection of individual projects that are highly compatible with CDM. However, CDM needs modifications in order for NAMA application. Examples of these modifications include simplifications with unduly compromising environmental integrity as well as less stringent MRV procedures that take into account of trade-offs between cost and accuracy. Complementary to CDM, green bond is another instrument that can contribute to NAMAs. Furthermore, China has developed the voluntary certified emission reduction exchange (CCER) mechanism and used it as a domestic offset mechanism to finance low carbon development.

The discussion of relating CDM with NAMAs aroused strong interests among the audience, who raised many questions regarding NAMA development and market mechanisms. It was agreed that the difficulty of transforming NAMAs from concept to reality probably does not lie in methodologies, rather in political willingness and finance gap. NAMA methodological challenges can be solved by CDM, as CDM at least can provide the methodology for estimating GHG reductions and associated costs during the NAMA planning and assessment phase and the MRV procedures once the NAMA is implemented. However, CDM is unable to provide NAMAs with upfront finance, which is an essential element for the implementation of NAMAs.

#### Session 8: Emerging market mechanisms: FVA and NMM

New market mechanisms under the UNFCCC process are growing and are expected to become a new driver for promoting mitigation activities. At the global level, about 40 national and over 20 sub-national jurisdictions are putting a price on carbon. The New market-based mechanisms (NMMs) that aim to maintain and build up existing Kyoto Protocol (KP) mechanisms and achieve net global GHG

mitigation have focused on carbon flows from developing to developed countries only. In contrast, the Framework for Various Approaches (FVAs) that aim to achieve net global GHG mitigation and enhance cost-effectiveness of mitigation so far have not covered emerging domestic offset schemes or the KP mechanisms.

One example that has the potential of being recognized as a FVA is Japan's Joint Crediting Mechanism (JCM). Globally, 12 countries signed on bilateral documents with Japan. With key features comparable to CDM, JCM also provides various financial supports to partner countries. The development of JCM in Indonesia has demonstrated that this scheme is mutually beneficial, as both countries have their own national emission reduction target and need to develop opportunities for the growth of their private sectors.

In general, market mechanisms have probably the most important role in addressing climate change. CDM has played and can play a key role, but it must be expanded and be operationally efficient. Convergence of carbon pricing across different mechanisms is particularly important for triggering cost-effective mitigation.

#### Session 9: Emission trading schemes in Asia

Domestic emission trading schemes (ETSs) have developed rapidly in Asia. Although the implementation or operation of these ETSs is at different stages, there are already valuable experience and lessons that have been learned from these frontrunners.

For example, based on the current experience of piloting regional ETSs in five cities and two provinces, China has three options for establishing a nation-wide ETS in the long run, including implementing a centralized national ETS, developing multiple regional systems based on existing pilots, and linking pilots and gradually integrating new systems. Similarly, Korea has achieved several landmarks on developing its domestic ETS. It is recommended that the power markets need to be liberalized to allow power prices to rise in line with operating costs and to include non-manufacturing sectors such as building and transportation as well as to build linkages with China and Japan will be instrumental for making the Korean ETS effective and efficient. Finally, India is exploring the possibility of linking its Renewable Energy Certificate and Energy Efficiency Certificate Schemes with carbon markets.

#### Session 10: Voluntary markets and NAMAs

In addition to operate as an offset mechanism, voluntary markets can make various contributions to domestic policy processes. This session explored such potential contributions of voluntary markets, including the establishment of an accounting system and the implementation of measurement, reporting, verification (MRV) for NAMAs.

UNESCAP's initiatives of promoting pro-poor and sustainable solid waste management in secondary cities and small towns showed that MRV systems for NAMAs should balance simplicity and stringency and be simplified compared to CDM. Moreover, NAMAs should be designed to enable effectiveness engagement of sub-national actors and to promote actions with high SD co-benefits.

Thailand has made remarkable progresses in developing the Thailand Voluntary Emission Reduction (T-VER) scheme. The T-VER aims to capture the mitigation potential of small and medium projects and only requires large projects for the proof of additionality by using a simple indicator—the payback period (the payback period being longer than 3 years as the proof of additionality). To assure the reliability of T-VER's carbon credits, T-VER projects are designed and operated in accordance with the principles and requirements of ISO 14064-2, while the validation and verification is conducted according to the principles and requirements of ISO 14064-3 by registered Validation and Verification Bodies (VVBs).

Finally, creating synergies between voluntary markets and NAMAs needs to address three key issues: the realization of co-existence and mutual re-enforcement of voluntary markets and NAMAs; the possibility of re-using or sharing of market infrastructure procedures and human capacity; and the assurance of fungibility (convertability) of mitigation impact units (i.e., carbon credits, allowances, T-VER, J-VER) across schemes.

The Q&A session focused on the discussion of the ownership and beneficiaries of co-benefits. Although co-benefits are noticeable (US\$100 of co-benefits of reducing 1 ton of CO<sub>2</sub>-eq), these co-benefits are not financially sustainable and are in general not accrued to project developers. Therefore, CDM and other financial compensatory schemes are instrumental for incentivizing project developers. Indeed, local governments are the real beneficiaries and the line ministries (ministries of health, agriculture or energy) also have a stake on co-benefits. Therefore, governments should develop a system of incentives to monetize the willingness to pay for the co-benefits generated and transfer it to the producer of the co-benefits.

#### Session 11: Prospects and challenges for carbon market linkage

While a global agreement is under negotiations, ETSs and other carbon trading schemes are emerging to align with countries' circumstances to meet their priorities. Diversity of carbon trading schemes could lead to market fragmentation which would lose benefits of economies of scale and fail to deliver emissions reductions at scale.

In response to the questions of (1) what will be possible approaches to build a global carbon market and (2) what needs to be done to lay the groundwork and build capacity for catalysing a global carbon market, the panellists came up the following points:

- Renewable energy is an important sector for GHG emission reduction, covering developed and developing countries.
- Registry at country level with strong MRV is very much important.
- The lessons learned from the Tokyo ET system can be used for better ETS development in Asian countries.
- Proactive dealing for carbon market linkage by the parties is necessary.
- Global commitment is necessary along with the revival of CDM
- Private sector is very important and carbon market is the best way to attract / incentivize them to contribute for GHG emission reductions.
- Paris agreement must cover the importance of market mechanism
- Registries and ITL will play a big role and needs its modification. UNFCCC can do it in better way but it needs a clear mandate from the parties for the same.

#### Session 12: Future carbon market expectations

The World Café approach was used to facilitate the discussion and the participation of this session. The participants were divided into 7 groups, who discussed one topic under the guidance of a moderator for an interval of 15 minutes and a new moderator with a new question came to the table for another discussion of 15 minutes until the completion of all the 7 questions. These questions were:

Q1. What are the main issues and challenges that developing countries are/will be facing in view of such new carbon markets/mechanisms?

A:

- Complex process and overall structure of CDM and other market mechanisms
- Lengthily process, needs to much time and efforts to complete it successfully
- Its expensive in view of the overall transaction cost required to complete the complex and time consuming process
- Lack of awareness and the technical capacity of DMCs, specially the LDCs
- Insufficient financial and capacity building assistance at International and local level.
- Lack of International policy support and willingness for carbon market promotion and

development

- Country level policy support in this regard is also not very clear
- Since CDM, a proven market mechanism is available, why there is a need of new mechanisms? Understanding the need of new market mechanisms and its implementation in the country is required
- Lack of Institutional capacity building support for carbon market mechanisms
- Currently there is no demand in market for CERs and price for the CERs is almost zero. PPs are unable to cover the transaction cost also.
- There is no international system/governing body available which can control the market demand and supply appropriately.
- Inconsistency in the policy and guidelines of the market mechanism controlling bodies including the apex body of UNFCCC
- Lack of appropriate Environmental policy linked to GHG emission reductions, at county levels
- Lack of awareness and support for domestic ETS development and its linking
- Registration process is complicated in view of the methodological requirement, additionality requirements and the monitoring requirements. Appropriate, support on monitoring, recording and verification (MRV) is required.
- Procedures of any NMM has to be simple, easy to understand with minimum financial impact.

Q2. What support will developing countries in the region require for designing and developing new carbon markets/mechanisms?

A : Participants expected to have basic supports like finance and capacity building. Support to policy establishment was prioritized thirdly, because it needs to make political decision making and top-down approach to implement carbon mechanisms. A comprehensive support package including all items is expected to produce effective result.

Reasons why participants selected the support items :

1. Finance

- Financial support covers all activity
- Incentive for developing projects
- Mitigation action is costly to exercise
- Burden sharing

2. Capacity building

- It will be fail to conduct the mechanism without capacity
- Basic element for developing mechanisms

What is effective capacity building?

- To start from government officers and key stakeholders, then disseminating to local people
- To share best practice

For which target should be provide capacity building especially?

- Government officers: it needs political support for decision making

3. Policy/strategy/regulation establishment

- Top-down approach is required for implementing the mechanism
- It needs to integrate climate change issue to national policy
- For decision making

4. Awareness raising

- To generate political will

5. Technology transfer

- It needs to transfer high technology to mitigate climate change effectively

Many participants suggested that providing support by a package including all items is more effective than individual one.

Q3. What are the views of countries with regard to the potential agreement in 2015?

A: Key message: There should be an enforceable agreement!

2 negotiators out of the all participants

- The new agreement should be based on the Common But Differentiated Responsible & Respective Capacity Principle
- This Principle should be applied to all Parties, but special considerations should be applied to LDCs, African countries and SEEDs countries
- We should set an ambitious goal of limiting the temperature rise within 1.5 degree, with strong commitments of developed countries.
- Delivery of means of implementation that includes financing, capacity building, and technology transfer are the tools to achieve the 2015 agreement. MRV of the means of implementation is critical.
- The operationalization of the Green Climate Fund and the Adaptation Fund is critical. Their current progress is too slow.
- Commitments to the REDD+ fund will provide support to countries that have forest.
- We don't have the text for the 2015 agreement. The development of the text is slow.
- The role of new market mechanisms should be reflected in the 2015 agreement.
- Loss & Damage issue should be included.
- There should be a review process of the progress of achieving the 1.5 target.
- We current devote 2% of CERs to the Adaptation Fund. This ratio should be increased.
- There is the need for arrangement of bilateral financing for LDCs.
- Current finance does not meet the requirement of additionality.
- There is the need to create synergies between mitigation and adaptation, such as considering mitigation as a function of adaptation.
- Bilateral and country specific mechanisms should be integrated with CDM and NMM mechanisms or should be implemented with the UNFCCC.
- Review of the pre-2020 actions is critical. Such a review is the corner stone of the new agreement.
- There is the need to create demand and creating a balance between demand and supply by targeting the 1.5 degree goal.
- Developed countries should provide more support, such as more support for Intellectual Property Rights related technology transfer.
- Equity principle should be clearly reflected in the new agreement. Targets of developing countries should be determined according to their national circumstances and respective capacity.
- FVA & NMM should help raise the level of the ambition of the 2015 agreement.
- The new agreement should have credible systems for compliance by different countries.
- There is the need for evolving sectoral targets for all energy and carbon intensive sectors with inputs from the World Business Council for Sustainable Development.
- COP should agree the minimum floor price for CERs and create a global carbon fund to maintain surplus.
- There should be penalty for non-compliance of obligations of developed countries.
- Any mechanism should be simple enough to reduce transaction cost so that small projects can come in.
- There should be additional actions plans for the delivery of \$100 billion commitment of the Copenhagen COP.
- Mitigation objectives should take into account the social and economic contexts of developing countries.
- Response measures should reduce negative impacts of any actions.
- The treatment of the F-gas should be discussed whether it should be included in the Montreal Protocol or the new 2015 agreement.

Q4. What are the approaches that countries are considering to increase their ambition for reducing their emissions?

A : The participants were keen to explain how green growth encouraging policies were employed by various countries in different sectors. They explained introduction of tax incentives, renewable energy credits, energy efficiency certificates, targeted soft loans as well as major policies. The participants also described policies for transport as well as forest as major encouragement.

Q5, What should be the role of CDM during the transition to 2020 and beyond for closing the gap and achieving the 2 degree goal?

A :

1. Role of the CDM- All groups agreed with that CDM has played and will play important role in development of key elements for NMMs, Driving technology transfer, Facilitating the cooperation between developed and developing countries and Generating / quantifying co-benefits from collaborative efforts of international communities.

2. Recommendation for strengthening CDM role in addressing climate change in future are as follows:

Collective suggestion of the groups was to generate more demand to restore investors' confidences in market based mechanism, to introduce flexibility.

Further to above the groups also suggested that CDM needs to be developed collaboratively with other NMMs. It was felt that CDM needs to ensure inclusive development and should adopt sectoral approach.

Q6. What could be the functions or applications of CDM, other than to meet mitigation targets under the UNFCCC, that could be further emphasised?

A : Finance stood out as the single most critical issue across the discussions of all the questions. One innovative proposal was to create a "CDM track 2" which will not be used for offsetting under the compliance mechanism, but will be used as a MRV tool and for the purpose of channelling finance. Meanwhile, the existing CDM, which was called "CDM track 1" should be maintained and continue with the compliance role that it has played for 10 years.

CDM as a MRV tool also was re-iterated many times. The participants suggested the development of MRV systems for quantifying, monetizing, verifying and certifying SD co-benefits. They also suggested the creation of a new certificate, called "CER+", which will cover the additional transaction costs involved with the MRV processes of SD co-benefits. A new market for trading CERs should be developed in parallel and be developed for offsetting corporate social responsibility (CSR) actions. For example, India is the first country to have CSR legislation, mandating companies to give 2% of their net profits to charitable causes. Therefore, CER+ could be bought by Indian companies to comply with their obligations of 2% spending on CSR activities. The synergies between CDM and NAMAs were also highlighted. The need for the synergies reflects the need for promoting investment for RE and EE projects in developing countries which mainly are dependent on fossil fuel energy. Further consolidation between CDM and NAMAs is also needed, for example allowing the inclusion of CDM PoAs in NAMAs.

#### Session 14: Panel discussion on take away from the workshop and preparedness for the new regime

In spite of a low market, the panellists were optimistic about the future of CDM. They stressed the urgency for enhancing political willingness and ambition of mitigation. In conclusion, CDM has to be simplified and to be used practically. The fragmented market mechanisms should be linked and a unified global carbon market will be instrumental for addressing climate change globally.

This report is prepared by IGES Climate and Energy Area with comments and inputs provided by ADB and UNFCCC Secretariat. Any questions and comments should be addressed to the following:

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## Annex: Workshop agenda

Day 1, Monday, October 13		
Clean Development Mechanism		
<b>08.30 - 09.00,</b> 30 minutes	<b>Registration</b>	
<b>09.00 - 09.25,</b> 25 minutes	<b>Opening</b>	<i>Plenary room: Kamolthip</i>
09.00 - 09.10	Welcome remark	Mrs. Prasertsuk Chamornmarn, Thailand Greenhouse Gas Management Organization
09.10 - 09.15	Welcome remark	Mr. Rajesh Sethi, UNFCCC Secretariat
09.15 - 09.20	Welcome remark	Dr. Xuedu Lu, ADB
09.20 - 09.25	Introduction of the workshop	Ms. Yuqing Ariel Yu, IGES
<b>09.25 - 10.30,</b> 65 minutes	<b>Session 1 - CDM, State of play</b>	<i>Plenary room: Kamolthip</i>
Description: This session will discuss the status of the CDM, the new initiatives under this market mechanism including financing alternatives for its further contribution.		
<i>Moderator: Mr. Daisuke Sano, IGES</i>		
09.25 - 09.40	Status of the negotiations on the CDM reform	Mr. Suphachol Suphachalasai, World Bank
09.40 - 09.55	CDM's contribution to global climate action and secretariat's initiative for increasing demand for CERs and initiatives from countries to support CDM	Ms. Fatima-Zahra Taibi, UNFCCC Secretariat
09.55 - 10.10	Overview of finance opportunities for CDM, including initiatives of multilateral banks/agencies, CDM loan scheme and the Green Climate Fund	Mr. Virender Kumar Duggal, ADB
10.10 - 10.30	Questions and Answers	
<b>10.30 - 10.50,</b> 20 minutes	<b>Coffee break</b>	
<b>10.50 - 11.50,</b> 60 minutes	<b>Session 2 - CDM, a tool for sustainable development</b>	<i>Plenary room: Kamolthip</i>

Description: Contributions to sustainable development (SD) is one of the pillars of the CDM. There is a new tool approved by the Board that PPs can use to highlight the SD co-benefits of their projects

and get better prices for their CERs. This session aims at sharing different approaches to identify and monitor SD co-benefits to be used by PPs and DNAs. Furthermore, views and expectations on this SD tool and SD monitoring guidelines for DNAs (to be developed by the secretariat) will be shared with participants.

*Moderator: Ms. Yuqing Ariel Yu, IGES*

10.50 - 11.10	Reporting on SD co-benefits using the new SD tool and opportunities for monitoring to enhance the profile of CDM projects and CER prices: what the buyers want!	Ms. Fatima-Zahra Taibi, UNFCCC Secretariat
11.10 - 11.20	SD tool experience, a PP's perspective on identifying and monitoring SD	Ms. Guo Gaiai, UPM Environment Engineering Project Management Consulting Co. Ltd.
11.20 - 11.30	Sharing practices and views in the monitoring of SD	Mr. Albert Magalang, DNA Philippines
11.30 - 11.40	Climate change SD co-benefits in Asia	Dr. Supat Wangwongwatana, EANET Secretariat, Network Support, RRC.AP
11.40 - 12.00	Questions and Answers	

**12.00 - 14.00,  
120 minutes**

**Lunch Break**

**14.00 - 15.30,  
90 minutes**

**Break out Session 3 - CDM, a tool for sustainable development**

Description: The breakout session for groups 1 & 2 will focus on sharing best practices to identify and monitor SD for a CDM project throughout its lifetime. The breakout session for group 3 will focus on how and why to use the SD reporting tool.

The sessions consist of presentations from experienced stakeholders that work/have worked in these matters; practical activities to enhance the knowledge/practice of participants and time for discussion to clarify doubts and reach conclusions on relevant elements and best practices when identifying, assessing and monitoring SD benefits of CDM projects and PoAs.

14.00 - 15.30	<p><b>Group 1 and 2:</b> What DNAs require from PPs regarding the SD from CDM projects/PoAs and how DNAs assess and monitor CDM contribution to SD? Discussion and conclusions on best practices of what is necessary to identify and monitor SD; how to monitor SD of a project throughout its lifetime.</p>	<p><b>Group 1:</b> <b>Plenary room: Kamolthip</b> Mr. Akhanda Sharma, DNA Nepal <i>Facilitator: Ms. Fatima-Zahra Taibi, UNFCCC secretariat</i></p> <p><b>Group 2:</b> <b>Room: Kamolruedi</b> Ms. Paweena Panichayapichet, Review and Monitoring Office, TGO <i>Facilitator: Ms. Akiko Fukui, IGES</i></p> <p><b>Group 3:</b></p>
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**Group 3 and 4:** How to use the tool and what are the benefits? A practical example identifying SD benefits.

**Room: Kornkamol 1**

Ms. Guo Gai, UPM Environment Engineering Project Management Consulting Co. Ltd.

*Facilitator: Ms. Rocio Correia, UNFCCC Secretariat*

**Group 4:**

**Room Kornkamol 2**

Mr. Jay Mariyappan, Sindicatum

*Facilitator: Mr. Darshak Mehta, ADB*

**15.30 - 15.50,  
20 minutes**

**Coffee break**

**15.50 - 16.40,  
50 minutes**

**Session 4 - Enhancement of participation of local stakeholders, key to success of CDM projects**

*Plenary room: Kamolthip*

Description: The right to public participation in decision making is recognized in the context of environmental issues, including climate change. Robust stakeholder consultation standards are required under existing international obligations and under the CDM. This session is focused on exploring the benefits of enhanced consultation process and current rules and room for improvements on how to conduct and assess local stakeholder consultation.

*Moderator: Mr. Virender Kumar Duggal, ADB*

15.50 - 16.00

Current consultation process rules and procedures under the CDM

Ms. Fatima-Zahra Taibi, UNFCCC secretariat

16.00 - 16.10

Improving stakeholder consultation process: a PP perspective

Mr. Nguyen Quang Phuong, Energy and Environment Consultancy Joint Stock Company

16.10 - 16.25

Improving stakeholder consultation process: a NGO perspective

Mr. Binod Shreshtha, Winrock International, Nepal RESPO

16.25 - 16.35

DNA experience and views on the implementation of local consultations

Mr. Uy Kamal, DNA Cambodia

16.35 - 16.55

Questions and Answers

**16.55 - 17.15,  
20 minutes**

**Coffee break**

**17.15 - 18.25,  
75 minutes**

**Session 5 - Updates on the regulatory framework with relevance to DNAs and applications beyond the CDM**

*Plenary room: Kamolthip*

Description: This session aims at enhancing knowledge and updating the audience on specific topics under the CDM regulatory framework, i.e. LoA approval process, PoAs and standardized baselines.

*Moderator: Mr. Ingo Puhl, South Pole Carbon Asset Management Ltd.*

17.15 - 17.25	Current requirements under the CDM rules and procedures for issuing LoAs; and the process for dealing with letters from DNAs that withdraw approval/authorization for project participants/project activities or PoAs	Ms. Rocío Correia, UNFCCC Secretariat
17.25 - 17.35	Latest updates on PoA rules including multi country PoAs	Mr. Hemant Nandanpawar, ADB
17.35 - 17.45	LDC PoA case study	Mr. Raju Laudari, AEPC, Nepal
17.45 - 17.55	Submission and post submission steps of standardized baselines	Ms. Akiko Fukui, IGES
17.55 - 18.05	A DNA experience of submitting a standardized baseline	Ms. Rubina Stepanyan, DNA Armenia
18.05 - 18.25	Questions and Answers	

**Day 2**  
**Tuesday, October 14**

**09.00 - 10.30, 90 minutes**      **Session 6 - LoA approval process, PoAs and Standardized Baselines—Hands on!**

Description: This break out session aims to provide participants an opportunity for enhancing their knowledge, getting updated and sharing experience on one of the following topics: LoA approval process, PoAs and standardized baselines.

The sessions consist of presentations from experienced stakeholders that work/have worked in these matters; practical activities to enhance the knowledge/practice of participants and time for discussion to clarify doubts and reach conclusions on relevant elements and best practices for the LoA approval process; for developing PoAs and standardised baselines.

09.00-10.30	<p><b>Group 1.</b> Best practice for the LoA approval process. What DNAs need to check for different kinds of CDM projects, PoAs and multi-country PoAs? Setting up standard LoA content based on different types of CDM PAs/PoAs.</p>	<p><b>Plenary room: Kamolthip</b></p> <ul style="list-style-type: none"> <li>• Mr. Hoang Manh Hoa, DNA Viet Nam</li> <li>• Mr. Alamgir Monsurul Alam, DNA Bangladesh</li> </ul> <p><i>Facilitator: Ms. Rocío Correia, UNFCCC secretariat</i></p>
	<p><b>Group 2.</b> This is dedicated session on standardized baselines, to follow up with already submitted and new submissions of standardized baselines, or for those who are interested in developing a standardized baseline.</p>	<p><b>Room: Kamolruedi</b></p> <p>Mr. Uy Kamal, DNA Cambodia</p> <p><i>Facilitator: Ms. Akiko Fukui, IGES</i></p>
	<p><b>Group 3 and 4.</b> These are dedicated sessions for the participants to enhance</p>	<p><b>Group 3:</b></p> <p><b>Room: Kornkamol 1</b></p>

their knowledge, get the latest updates and sharing experience on one PoA issues.

DOE: Overview of the PoA concept and main requirements for validation, registration, monitoring, verification and issuance of CERs.

A PP experience: challenges faced developing PoAs and how they were overcome.

DOE: Overview of the PoA concept and main requirements for validation, registration, monitoring, verification and issuance of CERs.

A PP experience: challenges faced developing PoAs and how they were overcome.

- DOE: Shivaji Chakraborty, SGS
- PP: Mr. Raju Laudari, AEPC, Nepal

- PP: Ms. Anne-Sophie Zirah, Ably Carbon

*Facilitator: Mr. Hemant Nandanpawar, ADB*

**Group 4:**

**Room: Kornkamol 2**

- DOE: Mr. Nick Stantzios, TUV Rheinland
- PP: Mr. Damien Dokom Sonny, PNG Power Ltd.

*Facilitator: Mr. Darshak Mehta, ADB*

**10.30 – 10.50, 20 minutes Coffee Break**

**Post 2015 framework and markets**

**10.50-12.10, 80 minutes Session 7 - Potential of the CDM in harnessing climate change action**

Description: During its 10-year history, the CDM has been able to contribute much beyond the most optimistic expectation at the time. It has evolved with many improvements and substantial milestones such as PoAs and standardized baselines. This session will highlight the current developments on CDM and the prospects that the CDM has to be used to improve different mitigation actions, including its uses as a complementary instrument to national climate related policies of the host countries.

*Moderator: Mr. Rajesh Sethi, UNFCCC*

10.50-11.05	CDM as a MRV and result- based finance tool	Mr. Suphachol Suphachalasai, World Bank
11.05-11.20	Synergetic working of CDM with NAMAs and Green Bonds	Mr. Junji Hatano, Carbon Partners Asiatica
11.20 – 11.35	Using carbon credits for financing low carbon development	Mr. Zhang Fan, Innovative Low Carbon Centre, Hunan Province, PRC
11.35-11.55	Questions and Answers	

**11.55-14.00, 125 minutes Lunch break**

**14.00-15.15, 75 minutes**      **Session 8 - Emerging market mechanisms: FVA and NMM**

*Plenary room: Kamolthip*

Description: The new market mechanisms under the UNFCCC are growing, and expected to become a new driver for expand a market to promote mitigation activities. This session will explore the new approaches and its practical operations.

*Moderator: Mr. Daisuke Sano, IGES*

14.00-14.15	Status of negotiations on market approaches and landscape of market mechanisms beyond 2015; and how the new market mechanisms can be a catalyst for enhancing ambition	Mr. Suphachol Suphachalasai, World Bank
14.15-14.45	<ul style="list-style-type: none"><li>• Promoting market mechanism through the Joint Crediting Mechanism (JCM)</li><li>• Current status of the JCM in Indonesia</li></ul>	<ul style="list-style-type: none"><li>• Ms. Akiko Fukui, IGES</li><li>• Ms. Aryanie Amellina - JCM Secretariat, Indonesia</li></ul>
14.45-15.05	Possible configurations of a global market using existing mechanisms	Mr. Jay Mariyappan, Sindicatum
15.05-15.35	Questions and Answers	

**15.35-15.55, 20 minutes**      **Coffee Break**

**15.55-17.00, 65 minutes**      **Session 9 - Emission Trading Schemes in Asia**

*Plenary room: Kamolthip*

Description. In the recent years, domestic ETSs have developed rapidly in Asia-including those in China, Korea, Kazakhstan and India. Although the implementation or operation of those ETSs are at different stages, there are already valuable experience and lessons that have been learned from these frontrunners. This session aims to share knowledge of ETS development and to learn experience on design and operation of existing ETSs and emissions trading related schemes, as well as enhance readiness for ETS development in Asia.

*Moderator: Dr. Xuedu Lu, ADB*

15:55-16:10	China pilot ETS	Ms. Lingshui Mo, ADB
16:10-16:25	Domestic ETS in Korea	Mr. Jeong-In Kim, Chung-Ang University, Republic of Korea
16:25-16:40	Linking Renewable Energy Certificate and Energy Efficiency Certificate Schemes with Carbon Markets	Mr. Girja Shankar, Bureau of Energy Efficiency, India
16:40-17:00	Questions and Answers	

**Day 3**

**Wednesday, 15 October 2014**

**09.00-10.15, 75  
minutes**

**Session 10 - Voluntary markets and NAMAs**

*Plenary room: Kamolthip*

Description. Nationally appropriate mitigation actions (NAMAs) are developed based on climate change policy in developing countries and harnesses market mechanism measures. This session will share experiences in voluntary market mechanisms and discuss how to establish an accounting system and implement measurement, reporting, verification (MRV) for NAMAs.

*Moderator: Ms. Yuqing Ariel Yu, IGES*

09.00 – 09.10	Concept of relationship between NAMAs and market mechanisms	Ms. Yuqing Ariel Yu, IGES
09.10 – 09.25	Voluntary markets and NAMAs: Monetizing co-benefits and designing MRV	Mr. Lorenzo Santucci, UN-ESCAP
09.25 – 09.40	Thailand voluntary emission reduction (T-VER)	Ms. Bongkoch Kittisompun, Review and Monitoring Office, TGO
09.40 – 09.55	Voluntary carbon standard (VCS): A project developer's perspective	Mr. Ingo Puhl, South Pole Carbon Asset Management
09.55 -10.15	Questions and Answers	

**10.15–10.35,  
20 minutes**

**Coffee Break**

**10:35-12:05, 90  
minutes**

**Session 11- Prospects and Challenges for Carbon Market Linkage**

*Plenary room: Kamolthip*

Description: The carbon price is the key to avoid a 2 degrees warmer world. The current UNFCCC-led Kyoto system succeeded in demonstrating that carbon trading markets can redirect capital flows into low-carbon investments. These markets must expand significantly to deliver emissions reductions at scale.

While a global climate agreement is under negotiations, emission trading schemes and other carbon trading schemes are emerging to align with countries' circumstances in order to meet countries' priorities. Diversity of carbon trading schemes could lead to market fragmentation which would lose benefits of economic scale and fail to deliver emissions reductions at scale. This session will analyse the opportunities and challenges for linking different carbon trading schemes to avoid fragmentation, and explore possible approach towards linkage of different carbon trading schemes.

*Moderator: Dr. Xuedu Lu, ADB*

10.35 – 10.50	Strategic steps and approaches for linking emission trading schemes in Asia and the Pacific	Ms. Lingshui Mo, ADB
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10.50 – 11.05	Economic assessment on integrated carbon markets in Asia	Mr. Teng Fei, Tsinghua University, PRC
11.05 – 11.20	Development of carbon trading schemes in Indonesia and its linkage	Ms. Aryanie Amellina - JCM Secretariat, Indonesia
11:20-11:55	<b>Panel discussion: The Road Map to a globally linked carbon market</b>	Ms. Aryanie Amellina, JCM Secretariat, Indonesia
	Each panel member will be given five minutes to share their views on:	Mr. Teng Fei, Tsinghua University, PRC
	1. What will be possible approach to build a global carbon market?	Mr. Jeong-In Kim, Chung-Ang University, Republic of Korea
	2. What needs to be done to lay the groundwork and build capacity for catalyzing a global carbon market?	Mr. Girja Shankar, BEE, India Mr. Rajesh Sethi, UNFCCC
	Questions and Answers	Ms. Lingshui Mo, ADB
11:55-12:05		

**12.05 – 13.30,  
85 minutes**      **Lunch Break**

**13.30 - 15.20,  
110 minutes**      **Session 12 - Future Carbon Market Expectations**

*Plenary room: Kamolthip*

Description: This is an interactive session where the participants will be divided in groups of 8 to 10 persons. Each group will be tasked to discuss topics mentioned below under the guidance of a group moderator. The participants will be reviewing trends in the future carbon markets and sharing their expectations. At the end of such discussions, the session moderator will convene a joint session wherein all group moderators will report back views and suggestions from their respective groups. This exercise will bring out some key messages which can be taken up by the involved stakeholders.

**Proposed topics for discussion:**

1. What are the main issues and challenges that developing countries are/will be facing in view of such new carbon markets/mechanisms?
2. What support will developing countries in the region require for designing and developing such new carbon markets/mechanisms?
3. What are the views of countries with regard to the potential agreement in 2015?
4. What are the approaches that countries are considering to increase their ambition for reducing their emissions?
5. What should be the role of the CDM during the transition to 2020 and beyond for closing the gap and achieving of the 2°C goal?
6. How the CDM could be reformed or improved to enable it to play its potential role of combatting climate change both pre and post 2020?

7. What could be the functions or applications of the CDM, other than to meet mitigation targets under the UNFCCC, that could be further emphasised?

*Moderator: Mr. Virender Kumar Duggal ADB*

*Facilitators: Mr. Hemant Nandanpawar, ADB; Ms. Akiko Fukui, IGES; Ms. Yuqing Ariel Yu, IGES; Mr. Darshak Mehta, ADB; Ms. Lingshui Mo, ADB; Ms. Fatima-Zahra Taibi, UNFCCC; Ms. Rocio Correia, UNFCCC*

**15.20 - 16.10, 50 minutes**      **Wrap up Session 13 - What has been done and how we can move forward for market mechanism in Asia and the Pacific**

*Plenary room: Kamolthip*

Since 2010, UNFCCC secretariat, ADB and IGES have organised five collaboration workshops with the aim to promote and support CDM project activities and facilitate discussions on market mechanisms. Since the start of this collaborative initiative, the first commitment period of the Kyoto Protocol ended and the carbon market environment has remarkably changed. This session is to review past outcomes and to facilitate discussions for future actions.

*Moderator: Ms. Fatima-Zahra Taibi, UNFCCC Secretariat*

**15.20 - 15.50**      **What actions are required to make market mechanisms work?**

- |               |  |   |
|---------------|--|---|
| 15.20 - 15.30 | <ul style="list-style-type: none"> <li>• Reviewing outcomes; requirements for next actions; overview of activities by countries by IGES</li> </ul> | Ms. Akiko Fukui, IGES   |
| 15.30 - 15.40 | <ul style="list-style-type: none"> <li>• Perspectives of project participants, governments, supporting agencies</li> </ul>                         | <ul style="list-style-type: none"> <li>• Mr. Sajjad Haider Yaldram, DNA Forum Co-Chair, DNA Pakistan (tbc)</li> </ul> |
| 15.40 - 15.50 |  | <ul style="list-style-type: none"> <li>• Mr. K.N. Rao, ACC Limited</li> </ul>   |

15.50 - 16.10      Questions and Answers

**16.10 - 16.30, 20 minutes**      **Coffee Break**

*Room: Kamolmart 6<sup>th</sup> Floor*

**16.30 - 17.40, 70 minutes**      **Session 14 - Panel discussion on take away from the workshop and preparedness for the new regime**

*Plenary room: Kamolmart 6<sup>th</sup> Floor*

This final session will discuss about the role of the CDM and expectation on new market mechanisms. In this session, partners from the UNFCCC secretariat, ADB, IGES, DNA and private sector will make suggestions for future actions in terms of finance, framework, other elements for adding further dynamism on market mechanisms.

*Moderator: Mrs. Prasertsuk Chamornmarn, Thailand Greenhouse Gas Management Organization*

- |               |   |   |
|---------------|---|---|
| 16.30 - 16.40 | Panel discussion on take away from the workshop and preparedness for the new regime | <ul style="list-style-type: none"> <li>• Mr. Jay Mariyappan, Sindicatum</li> </ul>                                    |
| 16.40 - 16.50 |   | <ul style="list-style-type: none"> <li>• Mr. Sajjad Haider Yaldram, DNA Forum Co-Chair, DNA Pakistan (tbc)</li> </ul> |
| 16.50 - 17.00 |   | <ul style="list-style-type: none"> <li>• Mr. Rajesh Sethi, UNFCCC Secretariat</li> </ul>                              |
| 17.00 - 17.10 |   | <ul style="list-style-type: none"> <li>• Dr. Xuedu Lu, ADB</li> </ul>   |

17.10 - 17.20

- Mr. Peter King, IGES

17.20 - 17.40

Questions and Answers

**17.40 – 18.00,  
20 minutes**

**Closing session**

*Plenary room: Kamolmart 6<sup>th</sup> Floor*

17.35 – 17.40

Closing remarks

Mrs. Prasertsuk Chamornmarn,  
Thailand Greenhouse Gas  
Management Organization

17.40 – 17.45

Closing remarks

Mr. Rajesh Sethi, UNFCCC  
Secretariat

17.45 – 17.50

Closing remarks

Mr. Peter King, IGES

17.55 – 18.00

Closing remarks

Dr. Xuedu Lu, ADB