



MINISTRY OF FINANCE

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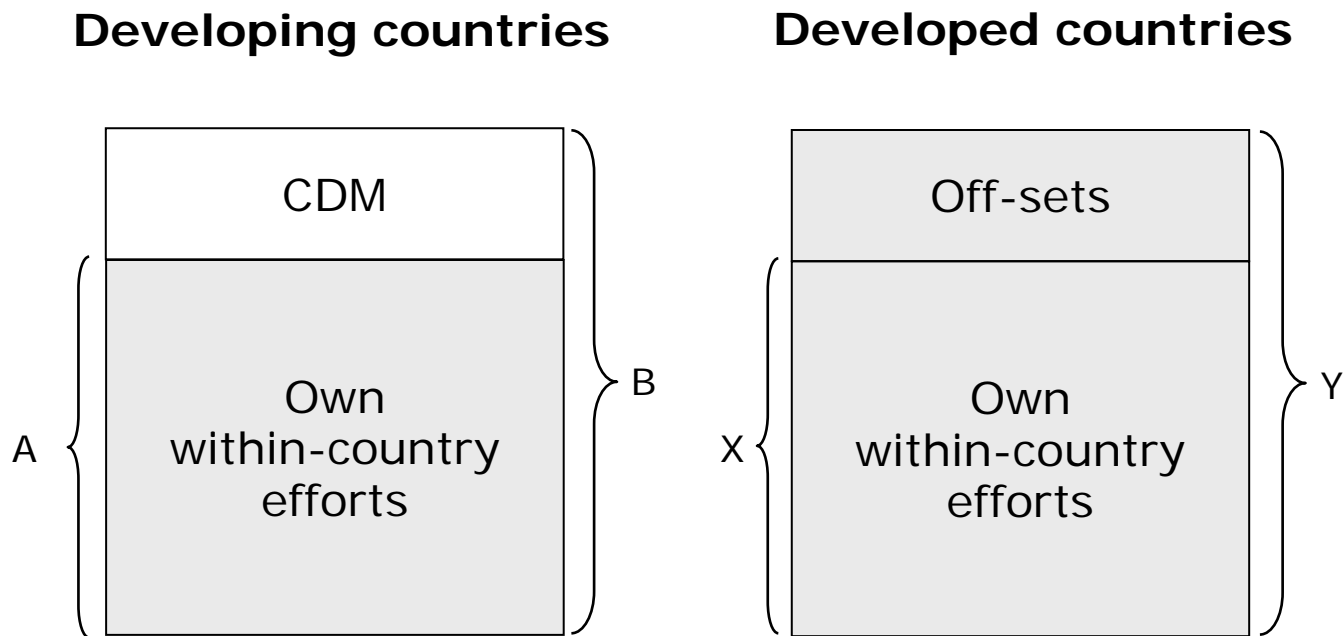


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Outline

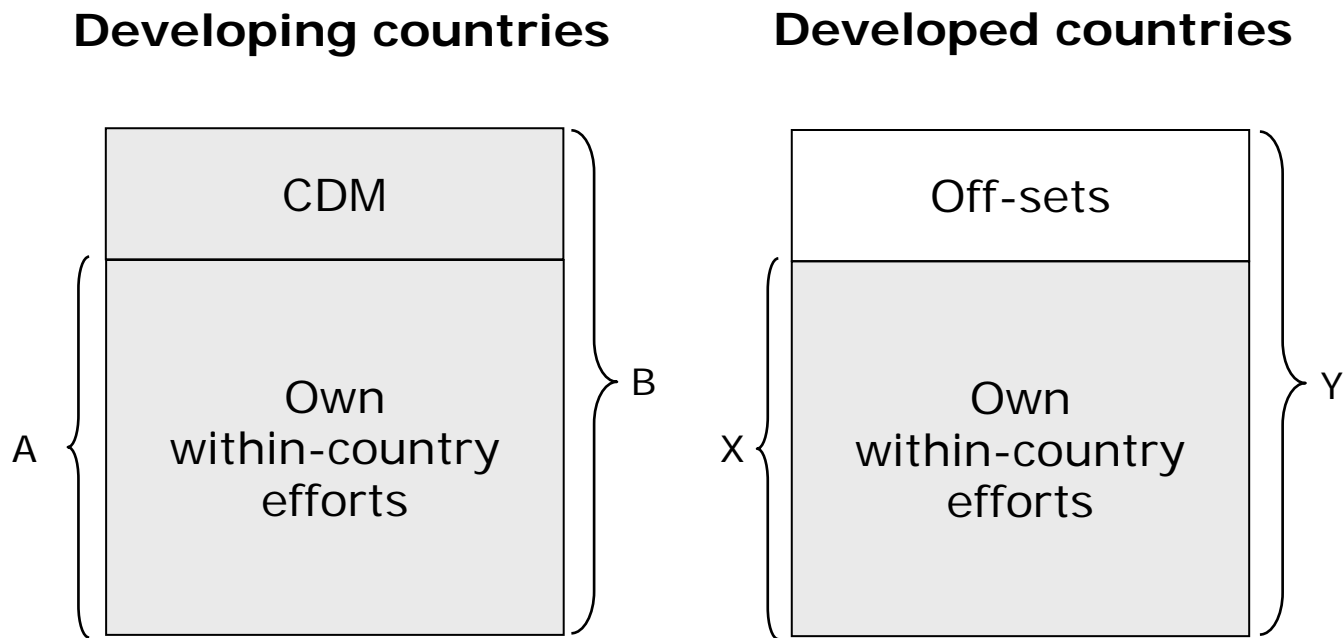
- Substance
- Questions and legitimate concerns
- Procedure

Global mitigation efforts



Global mitigation efforts are $A + Y = B + X$ (not $B + Y$)

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How to ensure the consistency and integrity of efforts?

A problem arises if both groups of countries take ownership of the same mitigations (if in reality $Y - X > B - A$)

Including ultimately if CDM is not additional ($A = B$)

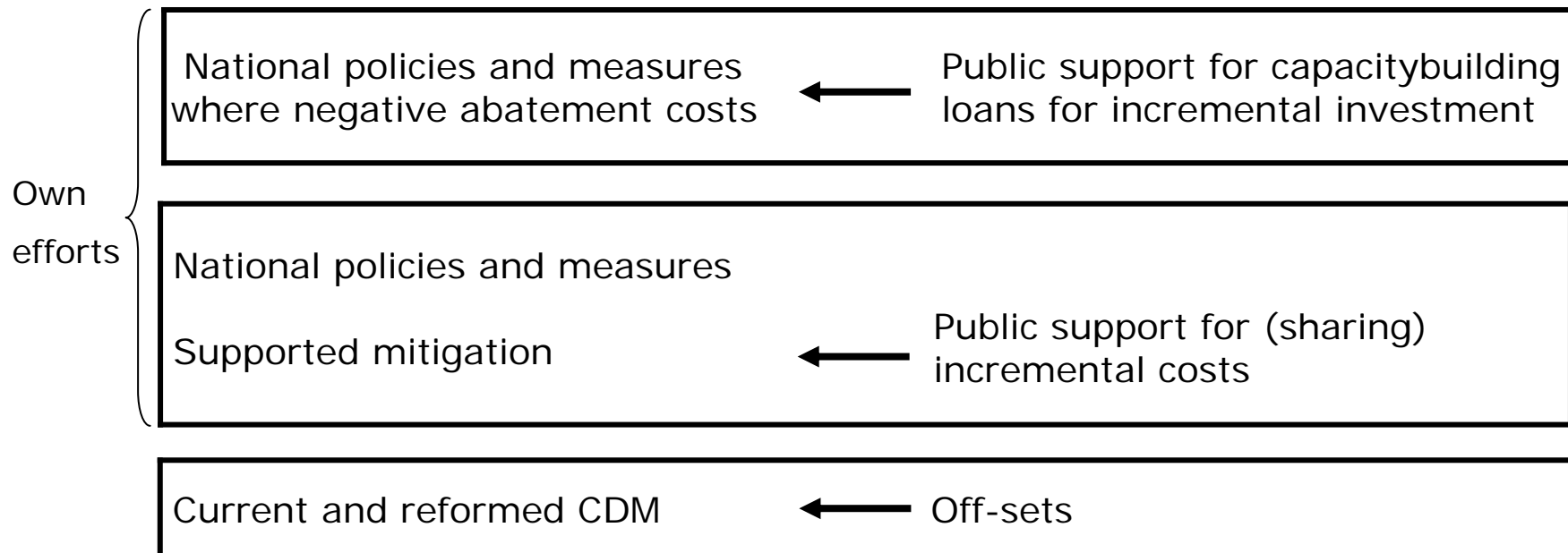
Solving the problem requires either :

- Ensuring that efforts in the developing countries exceed own efforts according to off-sets purchased by developed countries
- Setting reductions targets in developed countries stricter, ultimately adding the off-sets to reduction targets

Mitigation in developing countries

Efforts due to:

Financial flows for MRV-based actions:



Questions and legitimate concerns

Overarching:

- a) Who pays?
- b) Criteria for access to international financing?
- c) Governance?

Specific:

- d) Stability in financing for mechanisms?
- e) Allocating support according to maximum reduction impacts or income level?
- f) Who decides the operational allocation of support (based on principles)?
- g) Additional efforts (the BAU-challenge)?
- h) How to account for mitigation with negative/positive abatement cost?
- i) Which strategies to assume for LDC's?
- j) How does adaptation fit in?

Procedure. Potential input from Finance Ministers

Substance

Financing mechanisms:

- Payment?
- Access and criteria?
- Governance?

Carbon markets:

- CDM-reform?
- Linking?

Options for roadmap

- Seminars or operational contributions
- G20 or Friends-of-Chair
- Spring: Workshop or working groups
- Sep.: Deputies (back-to-back with G20)
- Sep.: Ministers, before UNSG HL-event