The flexible mechanisms and goal achievement in the climate policy

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Overview

• Role in the national climate policy
• The issue of supplementarity
• The national emission trading scheme
• The clean development mechanism

• Audit report on “goal achievement in the climate policy” will be public April 15
Role in the national climate policy

- A steady increase in GHG emissions
- A deficit of 6 mill. tonnes of allowances annually to meet the Kyoto commitment
- Need another 6 mill. tonnes to meet the Parliament objective to strengthen the commitment by 10 percentage points
Supplementarity

- Use of the flexible mechanisms should be supplemental to domestic action
- Not quantified by the parties to the protocol, nor the Parliament
- A challenge to identify the results of domestic action
  - The results of individual implemented policy measures = counterfactual
- Therefore also becomes an audit challenge
The national emission trading scheme

- Part of EU ETS
- The ETS has replaced regulation by tax in some sectors
  - No free allowances in the oil industry
- We have analysed the incentives to reduce GHG emissions
  - Reports & research
  - Compared to tax level
- Closely linked to the whole European scheme and the allocation plan
The green development mechanism

- Reduce emissions and contribute to sustainable development
- How government works to achieve contracts and the results
- Whether the mechanism contributes to stated objectives

- Interviews
- Extensive general literature review
The green development mechanism

• Additionality is a key issue
• Contribution to sustainable development

• The role of the CDM Executive Board and a climate agreement

• The picture may gradually change
Lessons learned

• Touching research questions
• Link to short and long-term targets
• Emission trading is a European (and global) issue
• Goal achievement in other countries is a challenge to auditors