



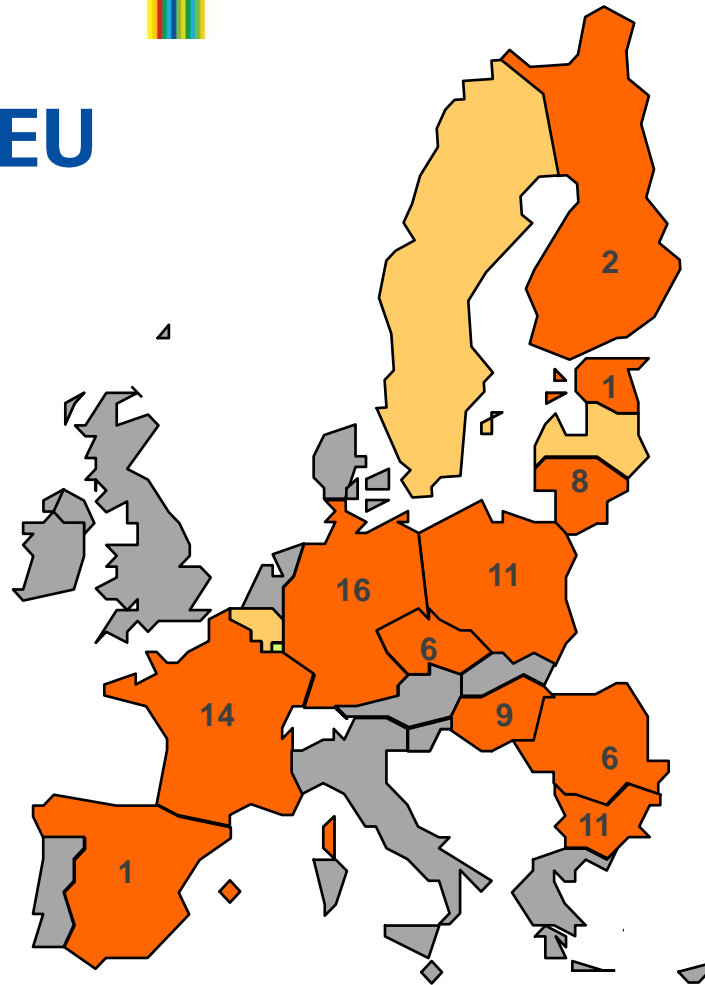
CLIMATE**FOCUS**

ETS and offsetting

An overview

Offsetting in the EU

- New offset programmes under development
- Most based on JI



- MSs that have approved domestic JI but do not currently have (registered) projects
- MSs with registered JI projects (number indicates million ERUs expected up to 2012)



Extending cap and trade

- Planned/operational: EU, New Zealand, parts of US, Australia.
 - With offset schemes.
- Draft laws/plans: Ukraine, Kazakhstan, China (pilot in 6 provinces), US, Turkey, South Korea, Japan, Canada, more?
- World Bank Partnership for Market Readiness.
- EU feasibility study in Eastern European countries.



Linking with the EU ETS

- Within the European Economic Area agreement:
 - Norway,
 - Liechtenstein,
 - Iceland
- Other:
 - Switzerland (negotiations started)
 - Ukraine, Kazakhstan?



JI and ETS: a mutual benefit

- Market readiness
 - Monitoring, Reporting, Verification.
- Incentives for non-capped sectors:
 - Access to carbon price,
 - Private sector investment,
 - Access to sectors that are difficult to cap.