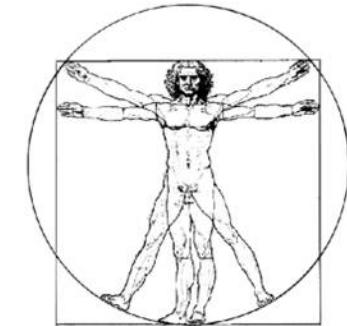


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NCOPSGAGF

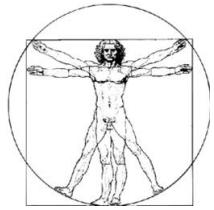
A More Tractable New Collective Sub-goal

Professor Benito Müller

Oxford Climate Policy and University of Oxford

for sustained capacity building in support of international climate change negotiations
pour un renforcement durable des capacités en appui aux négociations internationales
sur les changements climatiques

New Collective Quantified Public-Sector Goal on Adaptation Grant Finance (NCQPSGAGF)



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Oxford Climate Policy Blog

Initiating debates on international climate policy

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The New Collective Quantified Goal on Climate Finance

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Submission to CMA 4*

VIEWS ON THE NEW COLLECTIVE QUANTIFIED GOAL AS SPECIFIED IN PARAS. 15 AND 16 OF DECISION 9/CMA.3

28 January 2022

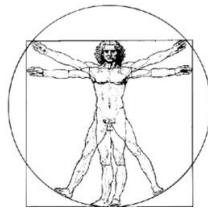
OCP and ecbi welcome the opportunity to submit their views on the new collective quantified goal on climate finance in line with decision 9/CMA.3 paragraph 15 and on the elements referred to in paragraph 16 of that decision via the submission portal.

A new collective quantified public-sector goal on adaptation grant finance

OCP and ecbi believe progress on a new goal is more likely if we hold discussions on each of the finance-related elements of the Paris Agreement. One stream of these discussions should aim at securing **a new, collective, and quantified public-sector goal on adaptation grant finance**.



Genesis of the \$100 billion Goal



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17 December 2009: “the United States is prepared to work with other countries toward a goal of jointly mobilizing \$100 billion a year by 2020 to address the climate change needs of developing countries. We expect this funding will come from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources of finance.”[2009-2017.state.gov]



The screenshot shows the official website of the Prime Minister's Office. At the top, it says "Number10.gov.uk" and "The official site of the Prime Minister's Office". Below that is a navigation bar with links for "Home", "News", "Communicate", "Meet the PM", "History and Tour", and "Number 10". Under "News", there is a link to "Roadmap to Copenhagen speech". The main content area displays a speech by Gordon Brown, with the title "Friday 26 June 2009 Roadmap to Copenhagen speech". A portrait of Gordon Brown is visible on the right side of the page.

Number10.gov.uk
The official site of the Prime Minister's Office

Home News Communicate Meet the PM History and Tour Number 10

Home > Roadmap to Copenhagen speech

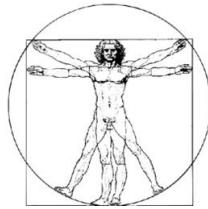
News

Latest News Press Briefings

Friday 26 June 2009
Roadmap to Copenhagen speech

26 June 2009: “I want to propose a new international partnership on public finance for climate change

So today I propose we take a working figure for this purpose of around \$100 billion per annum by 2020.”



Peter Betts: ‘We need to rebuild trust ahead of next climate summit’

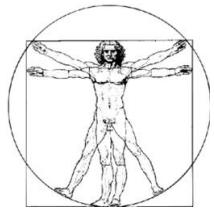
The former lead climate negotiator for the UK and the EU discusses what is needed from the postponed COP26 climate summit



EN 中文



Mutually Assured Unhappiness ...



... and what to do about it.

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A screenshot of the The Guardian website's header. It includes a 'Support The Guardian' button, navigation links for 'Subscribe', 'Find a job', 'Sign in', and 'Search', and a main menu with categories like 'News', 'Opinion', 'Sport', 'Culture', 'Lifestyle', and 'More'. The 'UK edition' is also indicated.

Environment ▶ Climate change Wildlife Energy Pollution

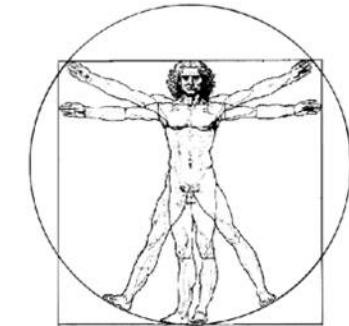
Climate change

Gordon Brown puts \$100bn price tag on climate adaptation



By urging “developed country Parties to at least double their collective provision of climate finance for adaptation to developing country Parties from 2019 levels by 2025,”[§18], the GCP has already taken the first step in the proposed way forward, which suggests it could be done.

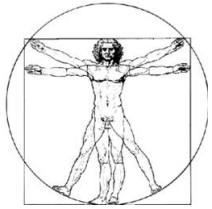
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Innovative Sources for Multilateral Adaptation Funding

Professor Benito Müller
Oxford Climate Policy and University of Oxford

for sustained capacity building in support of international climate change negotiations
pour un renforcement durable des capacités en appui aux négociations internationales
sur les changements climatiques



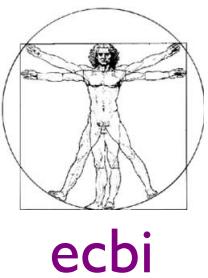
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Sub-National Public Sector Contributions

Sub-national Contributions: Quebec in Paris

In Paris it became 'chic' for sub-nationals to provide multilateral support for climate change finance.

Oxford Climate Policy – the blog



"Paris, 5 December: Today the *Chair of the Least Developed Countries (LDCs) Group welcomed a pledge from the Quebec government of \$ CAD 6 million to the Least Developed Countries Fund (LDCF)*. The historic and innovative pledge, made by Philippe Couillard, Premier of Quebec, in the presence of Michaëlle Jean, Secretary General of the Francophonie and Vice President Al Gore, has set a new tone for cooperation and innovative climate financing." [LDC Group Press Release]

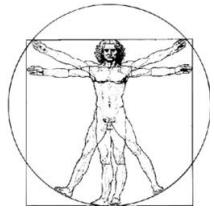


- Pledges by the city of Paris (\$1.3m) and three Belgian sub-nationals (\$17.1m) to the GCF

Shares of Sub-national Proceeds: The North American Potential

... Now it must become 'de rigueur'!

Oxford Climate Policy – the blog

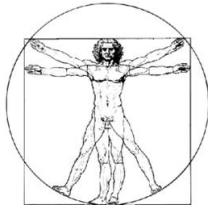


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2 percent share of proceeds

- | | |
|--------------|-------------------|
| • Quebec | \$10 million/yr |
| • California | \$ 125 million/yr |



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Sub-National Private Sector Contributions: VCM-SOPA

SOPA: A Brief History

Kyoto Protocol (KP)

The KP established three carbon markets ('flexibility mechanisms'):

- The **Clean Development Mechanism** (CDM) – with credits generated in developing ('non-Annex 1') countries
- **Joint Implementation** (JI) – with credits generated in 'Economies in Transition'
- **International Emissions Trading** (EIT) between developed countries

The 1997 KP, in Art 12.8 established a **share of proceeds** from CDM activities *inter alia* "to assist developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation", later set to 2% of issued credits.

Why? To bring on board the vulnerable developing countries

N.B. a JI and EIT SOPA were only added in the 2021 Doha Amendment.

Paris Agreement (PA)

The 2015 PA established two market-based modalities under its Article 6, namely:

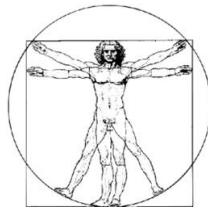
- An Art.6.4 market mechanism, and
- Art. 6.2 cooperative approaches

Developing countries managed to introduce a SOPA for the Art. 6.4 mechanism (later set to 5% of issues credits), but not to the Art 6.2 cooperative approaches.



Share of Proceeds

An Innovative Source for Multilateral Climate Finance

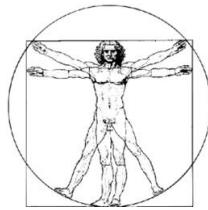


Aglaja Espelage, Axel Michaelowa, and Benito Müller
with contributions by Kishan Kumarsingh

November 2021



SOPA: A Brief History

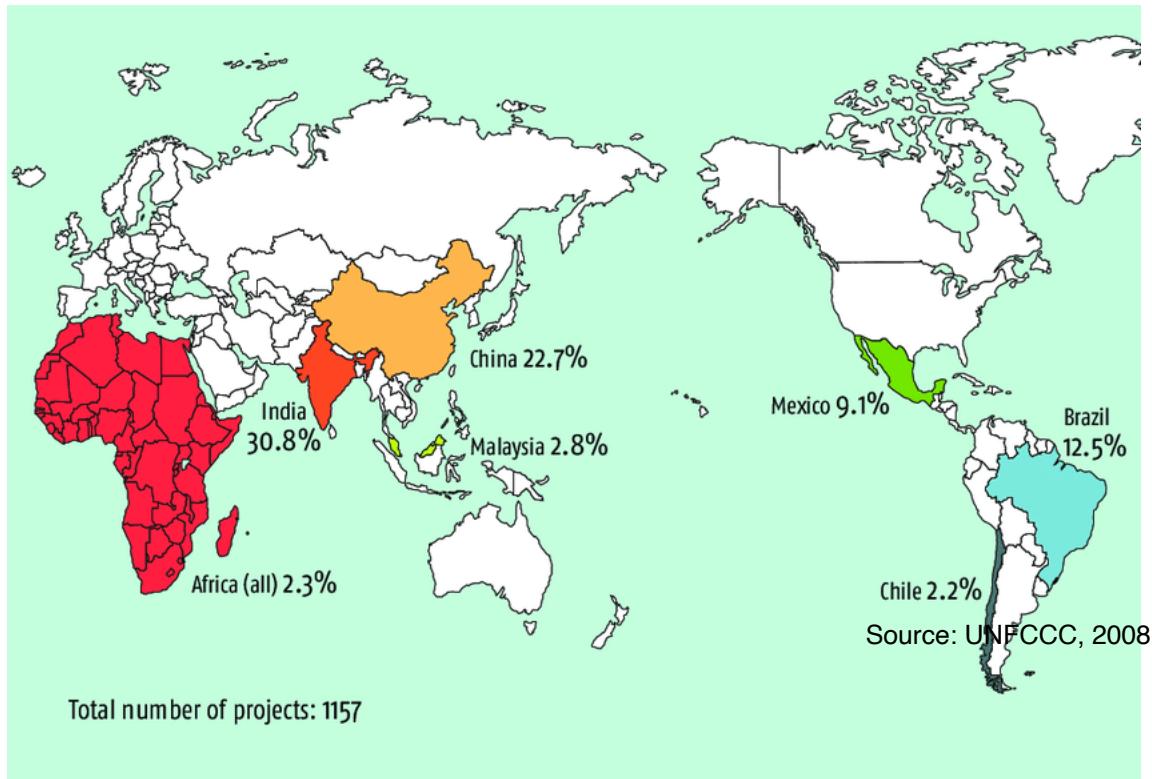


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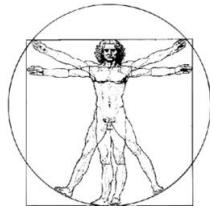
CDM: The ‘China Development Mechanism’

Shares in

- CDM projects: Brazil, China, India: 66%, Africa (all): 2%
- CERs issued: Brazil, China, India : 85%



VCM-SOPA



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Initiating debates on international climate policy

Safeguarding Social Integrity in the Voluntary Carbon Market

Benito Müller

without interfering with market choices

How?

Start by following a tried and tested model (CDM/PA Art. 6.4):

- Collect by issuer (VCM standards) at point of issuance
- Adaptation Fund as adaptation delivery vehicle.

How much?

- 5% of credits issued, following PA Art. 6.4 Mechanism, with a projected annual contribution to adaptation in particularly vulnerable developing countries of USD 2.5 billion

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VCM-SOPA

A SHARE OF PROCEEDS FOR ADAPTATION (SOPA) IN THE VOLUNTARY CARBON MARKET (VCM)

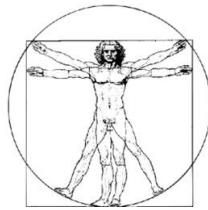
Discussion Note¹

March 2022

by Benito Müller,² with contributions from Hanna-Marie Ahonen,³ Pedro Moura Costa,⁴ Daniel Ortega-Pacheco,⁵ Moekti (Kuki) Soejachmoen,⁶ and Charlotte Streck.⁷



VCM-SOPAficionados



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ICCCAD
International Centre for
Climate Change and
Development



To the members of the Board of
The Integrity Council for the Voluntary Carbon Market

Dear IC-VCM Board members,

We, the undersigned, as representatives of globally poorest and most vulnerable countries would like to express our full support for the establishment of a Share of Proceeds for Adaptation (SOPA) as a governance principle for the Voluntary Carbon Market (VCM) and express our thanks to Professor Benito Müller (OCP/ecbi) and Professor Saleemul Huq (ICCCAD/ecbi) for having brought the issue to our attention.

We have noted the concern shared by various groups of stakeholders¹ about the VCM neglecting the countries we represent and support the view that this should be urgently addressed as a matter of "[Safeguarding Social Integrity in the Voluntary Carbon Market](#)".

By definition, our countries have special adaptation needs. The proposed SOPA would allow the VCM to provide adaptation benefits in an equitable manner, without distorting market choices (i.e. without introducing, say, host country quotas) which would not only benefit our countries, but also put the VCM in the vanguard of progressive instruments to tackle the climate emergency.

We therefore urge the IC-VCM to add a SOPA to its core carbon principles.

Yours sincerely,

H.E. Mr Abul Kalam Azad, Special Envoy, Climate Vulnerable Forum ([CVF](#)) Presidency of Bangladesh
Ms Madeleine Diouf Sarr, Chair, UNFCCC Least Developed Countries ([LDC](#)) Group
Mr Ousmane Fall Sarr, Coordinator of the [West African Alliance on Carbon Markets and Climate Finance](#).



VCM-SOPAficionados

Group · 27 participants

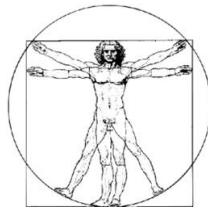


ALLIANCE OF SMALL ISLAND STATES

World's Most Vulnerable Call for Application of Article 6 Rules to Voluntary Carbon Market

Bonn – 8 June 2022

Two UN negotiating groups representing 85 countries exceptionally vulnerable to climate change, this week signed a joint letter to the Integrity Council for the Voluntary Carbon Market (IC-VCM), urging it to apply several key principles from the Article 6 "rulebook" to the voluntary carbon market. The letter, signed jointly by Ambassador Conrod Hunte, Chair of the Alliance of Small Island Developing States (AOSIS) and Madeline Diouf Sarr, Chair of the Least Developed Countries (LDCs), encourages the IC-VCM to apply a 5% share of proceeds for adaptation to the Adaptation Fund, and apply a 2% cancellation rate to contribute to an overall mitigation in global emissions. It also encourages the best practices of avoiding double counting and applying conservative baselines.



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Public Consultation

IV Issues Related to Paris Agreement Alignment

[Add/View comments \(0\)](#)

13 Alignment with Paris Agreement

[Add/View comments \(0\)](#)

13.1 Share of proceeds for adaptation finance

[Add/View comments \(0\)](#)

Criterion 13.1: Share of proceeds for adaptation finance

Option 1

From [date] onwards, the carbon crediting program shall levy a share of proceeds of [X%] at issuance, for the benefit of the Adaptation Fund, to assist developing countries meet the cost of adaptation.

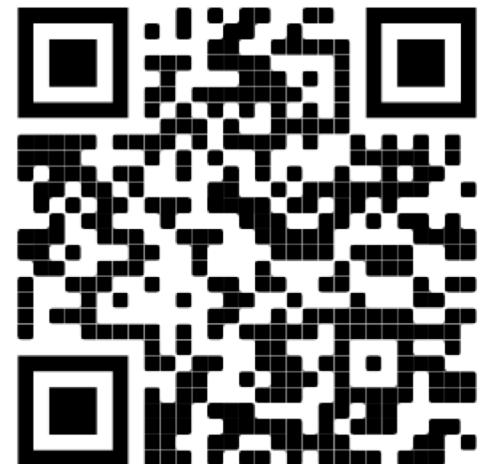
Option 2

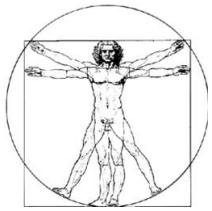
No provisions on this matter.

The following slightly amended version of Option 1 was submitted:

“From January 2024 onwards, carbon crediting programs shall in alignment with the Paris Agreement charge a share of proceeds of five percent at issuance, for the benefit of the Adaptation Fund, to assist developing countries that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation.” [Art. 6.6 Paris Agreement]

Please Follow Suit!





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Thank You!