

# IETA LAC and NCS Activities

**CPLC LAC Working Group Meeting  
19 May 2020**



**IETA**  
CLIMATE CHALLENGES  
MARKET SOLUTIONS

3Degrees: ACT ACWA POWER 阿瓦石油 AitherCO<sub>2</sub> allcot American Carbon Registry APX Arber Day Foundation argus ATCO Baker McKenzie Bank of America Merrill Lynch bgc

BHP BloombergNEF bluesource BNP PARIBAS bp bp target neutral CSA GROUP Capital Power Carbonbay CARBONCREDIT SOLUTIONS INC. carbonsink the sustainable change

cbl markets centrica Chevron CLP 中電 ClearBlue Markets CLIMATE ACTION RESERVE climatecare Climate Neutral Group CLIMATE SOLUTIONS GROUP

ClimeCo co2balance.com COMMERZBANK CPE Cell DELPHI GROUP DEMARCO ALLAN LP 大成 DENTONS DNV-GL DOW

ecoact ECOEYE ecosphere+ EDF EnKing INTERNATIONAL ELBOW RIVER ENBRIDGE enel EnerKey ENGIE

eni ENVIRONMENTAL COMMODITY PARTNERS equinor eex firstclimate fortum GARD G.C.T. Global Commodities Trading 国泰君安证券 GUOTAI JUNAN SECURITIES Hydro IBERDROLA

Ice ICIS IHS Markit INLANDSIS KOCH SUPPLY & TRADING KPMG KRIC 한국기후변화연구원 LafargeHolcim LATHAM & WATKINS LLP Linklaters Marubeni

MICHELIN microenergy credits MITSUBISHI & CO. NATURAL CAPITAL PARTNERS Naturgy Nexus NORTON ROSE FULBRIGHT NOVA Chemicals Nutrien Feeding the Future ONTARIO POWER GENERATION P&G

PERMIAN GLOBAL PetroChina POINT CARBON THOMSON REUTERS powerex. pwc Quimobásicos ReedSmith REPOL RioTinto RUBY CANYON ENGINEERING RWE Shell

Sheppard Mullin SOLVAY south pole sse Statkraft SUNCOR ENERGY dalkia TDR Energy Terra THE CLIMATE TRUST TOTAL COMMITTED TO BETTER ENERGY tradewater

TransCanada uni per VATTENFALL VEOLIA VERRA VERTIS :viveconomics VNV ADVISORY xpansiv 壹信碳资产 ZHWIN CARBON ASSET 永智顧問有限公司 YC Consultants Ltd.

# Market-Friendly NDCs in LAC



# Economic Potential of Article 6: Role of Lands-Use

- Study compares costs between countries delivering NDCs independently vs. with Article 6 (international cooperation)
- Economic potential available through Article 6 extension to land-use is significant
- Use of Article 6 could reduce costs of delivering NDCs by \$320 billion per year by 2030

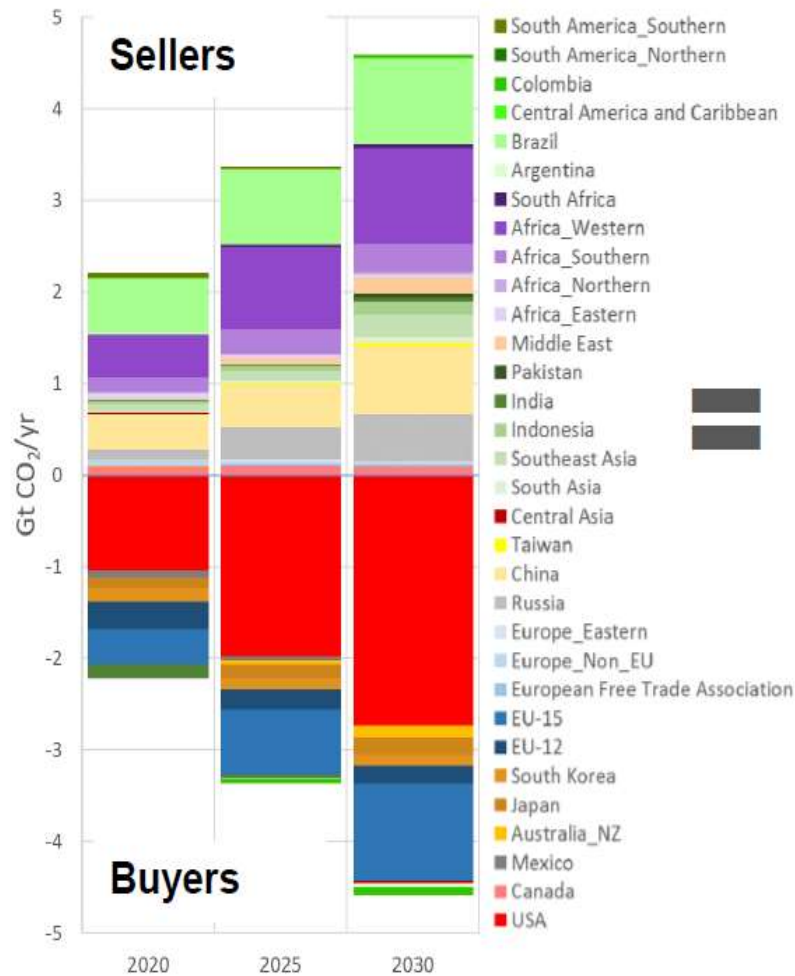
[IETA, UMD, CPLC Report \(2019\)](#)

2030 Potential Article 6 Reduction in Cost (Billions 2015 USD/year)		
	Reduction in Cost	Increased Ambition
Fossil Fuels Only	~\$250 billion	5 GtCO <sub>2</sub> per year
Land Use Only	~\$70 billion	4 GtCO <sub>2</sub> per year
<b>Combined</b>	<b>~\$320 billion</b>	<b>9 GtCO<sub>2</sub> per year</b>

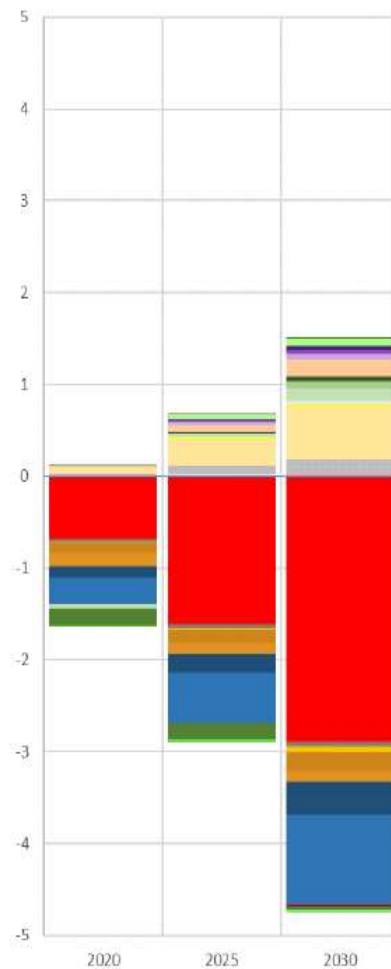


# Article 6 Study: LAC and Land-Use Opportunities

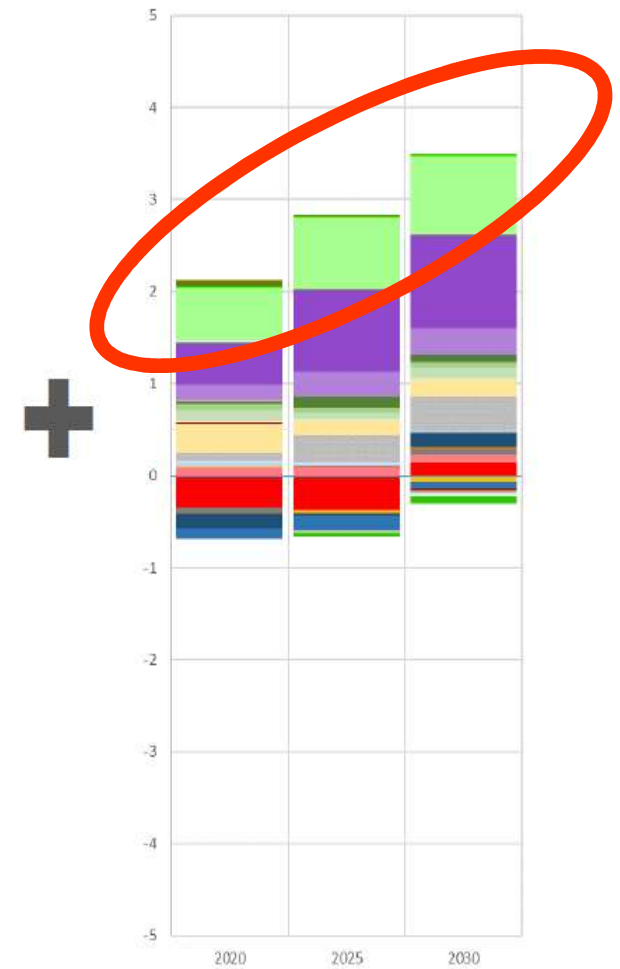
## Buyers and Sellers under Article 6



## Fossil Fuel and Industry



## Land Use Change and Forestry



# IETA LAC Task Force

## **Newly Launched IETA LAC Task Force, providing members with:**

- **Regular LAC policy and market scans and intelligence**
- **Platforms to showcase projects, market analyses and innovations**
- **Member calls, portals and dedicated IETA Staff support**

## **IETA LAC Task Force representing a:**

- **Credible and trusted business voice on climate markets in LAC**
- **Conduit for best practice, lessons on effective market design**
- **Partner/convenor expanding pro-market stakeholder communities**

## **Sample of Priority Work Areas:**

- **LAC Article 6 Carbon Clubs and Pilot Opportunities**
- **Regional Market Alignment & Collaboration (e.g. Pacific Alliance)**
- **LAC Tax-ETS Transitions (Mexico, Colombia, Chile)**
- **LAC NCS Specific Market Opportunities**



# LAC Task Force: Leveraging Projects & Partnerships



CARBON PRICING LEADERSHIP COALITION



asocarbono®

Colombia



The Pacific Alliance

giz



cebds



PMI  
PARTNERSHIP FOR MARKET IMPLEMENTATION



WORLD BANK





## IETA Markets for NCS Initiative

**Launch:** New IETA initiative, launched in December 2019 at COP25, to support global markets that enable private NCS investments at scale.

**Mission:** Maximize business investment in NCS to ensure it plays the fullest role possible in delivering Paris Agreement goals. We are committed to creating global carbon markets for NCS that:

- Have high environmental integrity
- Empower and benefit local communities
- Are driven by demand from compliance obligations
- Have fungibility of units and accounting certainty between systems
- Support large scale investment and broad participation
- Deliver price transparency and foresight

**Website:** <https://ncs.ieta.org>







## Target Countries & Action Plan

- Engage (6) Target Countries with high potential, including Colombia and Mexico.
- Country “Options Papers” cover: 1) domestic NCS context; 2) NCS market pathways, options and recommendations for country; and 3) business/NGO interest in country.
- Currently refining Papers through Steering Committee and Advisory Panel. Operationalize in-country/virtual Work Plans through 2020-21.



*Learn more or become involved?  
Contact Carlos at [cordova@ieta.org](mailto:cordova@ieta.org)*

