



**IETA**  
INTERNATIONAL EMISSIONS  
TRADING ASSOCIATION



**HARVARD Kennedy School**  
JOHN F. KENNEDY SCHOOL OF GOVERNMENT

## IETA-HARVARD Linkage Project

- What type of architecture does a Paris 2015 Agreement to enable linking carbon pricing mechanisms worldwide?
- How to harmonise international, national, and sub-national carbon policies to enable linkage in a “bottom-up” world?
- Harvard Linkage Paper
- IETA “Straw Proposal”
- Review by Governments
- Review by Academia
- Review by Private Sector Experts
- Negotiating Text for Lima



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# The Paris Agreement

- May well be quite short
- Probably more outline than substance
- Big picture items only

*(but what could be bigger than a global carbon market)*

- Plenty of COP decisions later
- Each idea or concept gets just a few lines
- Markets and carbon pricing are still struggling to gain global acceptance

**So how do we create the essence of a global market?**

# Just a few lines to create a global carbon market

## Cooperation between Parties in realizing their Contributions

1. Parties may voluntarily cooperate in achieving their mitigation contributions, [which may improve cost effectiveness and bolster ambition].
2. A unified international transfer system is hereby established.
  - a. A Party, may transfer portions of its defined national contribution to one or more other Parties through carbon units of its choice.
  - b. Transfers and receipts of units shall be recorded in equivalent carbon reduction terms [in the international transaction log and be included in national reports as contributions delivered by the receiving Party and as transfers from the transferring Party].



Or even more focused...

## Cooperation between Parties in realizing their Contributions

1. Parties may voluntarily cooperate in achieving their mitigation contributions.
2. A unified international transfer system is hereby established.
  - a. A Party, [though private and/or public entities,] may transfer portions of its defined national contribution to one or more other Parties through carbon units of its choice.
  - b. Transfers and receipts of units shall be recorded in equivalent carbon reduction terms.



***Thank you***

*For More Information, please visit [www.ieta.org](http://www.ieta.org)*



**Climate Challenges, Market Solutions**