

Interactions between the Flexibility Mechanisms: Possible Synergies and Conflicts

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Issues

- Flexibility mechanisms designed to work together – however the use of the different mechanisms raises a number of implementation related issues (e.g. different types of targets)
- Issues associated with the interplay of the different mechanisms from international and domestic perspectives



Issues

- Possible synergies and conflicts relating to the interaction of:
 - international emissions trading;
 - domestic emissions trading;
 - project-based mechanisms at the international level;
 - project-based mechanisms at the domestic level.

Issues

- Different targets (rate-based for JI and CDM, absolute or rate-based for ET)
- Different methods for setting baselines and measuring emission reductions, eg:
 - Standardised baselines;
 - Region-specific baselines;
 - Project-by-project approaches.
- Coverage of same sector with different mechanisms across countries– possible double counting of emissions
- Institutional issues relating to the operation of the different flexibility mechanisms

Analytical Framework Table

	International Emissions Trading	Domestic Emissions Trading	International Project-based mechanisms: JI	International Project-based mechanisms: CDM	Domestic Project-based mechanisms
International Emissions Trading					
Domestic Emissions Trading			Eg. JI project with rate-based target and DET with absolute target	Eg. CDM pjt with project baseline and DET with sectoral baseline	
International Project-based mechanisms: JI	Eg. Existing JI pjts in EU accession countries				
International Project-based mechanisms: CDM					
Domestic Project-based mechanisms			Eg. Institutional requirements in setting baselines		

