

**INDEPENDENT REVIEW:
LAUNCHING A PLURILATERAL GREENHOUSE GAS
EMISSIONS TRADING SYSTEM***

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Abstract

This project aims to support the development of rules, policies and international frameworks to trade greenhouse gas emissions in accordance with the Kyoto Protocol. UNCTAD's contributions have aided in developing the size of the global market for credits from emission reduction projects to over US\$1 billion. A significant success of the programme was the launch of the International Emissions Trading Association in June 1999. This evaluation recommends that UNCTAD's carbon market programme should continue to focus on capacity building for the better integration of developing country participants into the world economy using the flexibility mechanisms of the Kyoto Protocol. The report also urges UNCTAD to review its future role in assisting the development of the greenhouse gas market, in light of its diminishing visibility and scope due to resource constraints.

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Independent Review

**Launching a Plurilateral Greenhouse Gas Emissions
Trading System (TAD-GLO-98-025)
Project**

Independent Project Evaluation
John O'Brien

(November, 2002)

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1. Background and Purpose of Review

UNCTAD has been a pioneer in the development of the greenhouse gas market since 1991, conducting a wide range of research on the technical, legal and institutional aspects related to emissions trading. In 1995 UNCTAD established the GHG Emissions Trading Programme which in 2001 evolved into the UNCTAD Carbon Market Programme (<http://www.unctad.org/ghg>). UNCTAD plays a significant role in supporting trade and investment in developing countries and has an important role in doing the same in relation to the market mechanisms established under the Kyoto Protocol.

The concept of a project to support the development of the rules, policies and an international framework to trade greenhouse gas emissions was conceived in 1997 at the first GHG Emissions Trading Policy Forum held by UNCTAD in collaboration with the Earth Council in Chicago. The project which emerged from this meeting and subsequent development of the project idea was called "**Launching a Plurilateral Greenhouse Gas Emissions Trading System (TAD-GLO-98-025)**" and was approved by the UNF Board in December 1998. Ever since the project has formed a major component of the UNCTAD GHG Emissions Trading Programme (now Carbon Market Programme), representing a significant portion of its funding.

In mid 2001, taking into account the evolution of the climate change negotiations and the needs of the public and private sector in developing countries to better understand the project based mechanisms (CDM and JI) established under the Kyoto Protocol, the scope and focus of the project was redesigned and refocused (with UNF approval) to place greater emphasis on all three flexibility mechanisms of the Kyoto Protocol and on assisting developing countries to participate in the emerging global carbon market. The focus on developing analysis of legislative, policy and regulatory frameworks was decreased as the Kyoto Protocol moved closer to the entry into force and implementation phase. Thus, the UNCTAD GHG Emissions Trading programme of which this project formed the major component, was renamed the UNCTAD Carbon Market Programme in mid-2001. To avoid confusion, this review will only use one term; UNCTAD Carbon Market Programme.

The project "**Launching a Plurilateral Greenhouse Gas Emissions Trading System (TAD-GLO-98-025)**" has had a budget of US\$ 1,244,300 and was planned to last for two years and six months until mid-2001. The project end date was extended three times and is scheduled to finally come to an end in December 2002. At the current point in time (November 2002), less than US \$3,000 dollars remain in the budget so the project can effectively be said to have finished all activities.

The purpose of this review is to:-

- Undertake both a qualitative and quantitative assessment of project activities and outputs and of the sustainability of the project results;
- Examine lessons learned from the project and how the experiences could be utilized and replicated on a wider basis;

2. Review of Project Objectives and Activities

The main objective of this project was to assist interested governments, corporations, and non-governmental organisations to design and implement a plurilateral greenhouse gas emissions market, in accordance to the Kyoto Protocol. Specifically this included:-

- a) Support for the development of an international legal framework to accommodate international transactions in greenhouse gas allowances and credits;
- b) Effective domestic regulatory and supervisory frameworks;
- c) Adequate market rules;
- d) Measures to ensure coherence and consistency between national and regional emissions trading systems and the international emissions trading system;
- e) Technical assistance, training, institution and capacity building in developing countries and economies-in-transition;

The following table makes clear the distinction between the objectives of this project and the overall objectives of the UNCTAD Carbon Market Programme.

Table 1-1 – Focus of TAD-GLO-98-025 Project

	Emissions Trading	Clean Development Mechanism	Joint Implementation
TAD-GLO-98-025	Yes	No	No
Other Carbon Market Programme	Yes	Yes	Yes

For readers unfamiliar with the major aspects of the Kyoto Protocol, including the concepts of emissions trading, clean development mechanism, and joint implementation, a glossary of some basic terms has been included in Appendix 3.

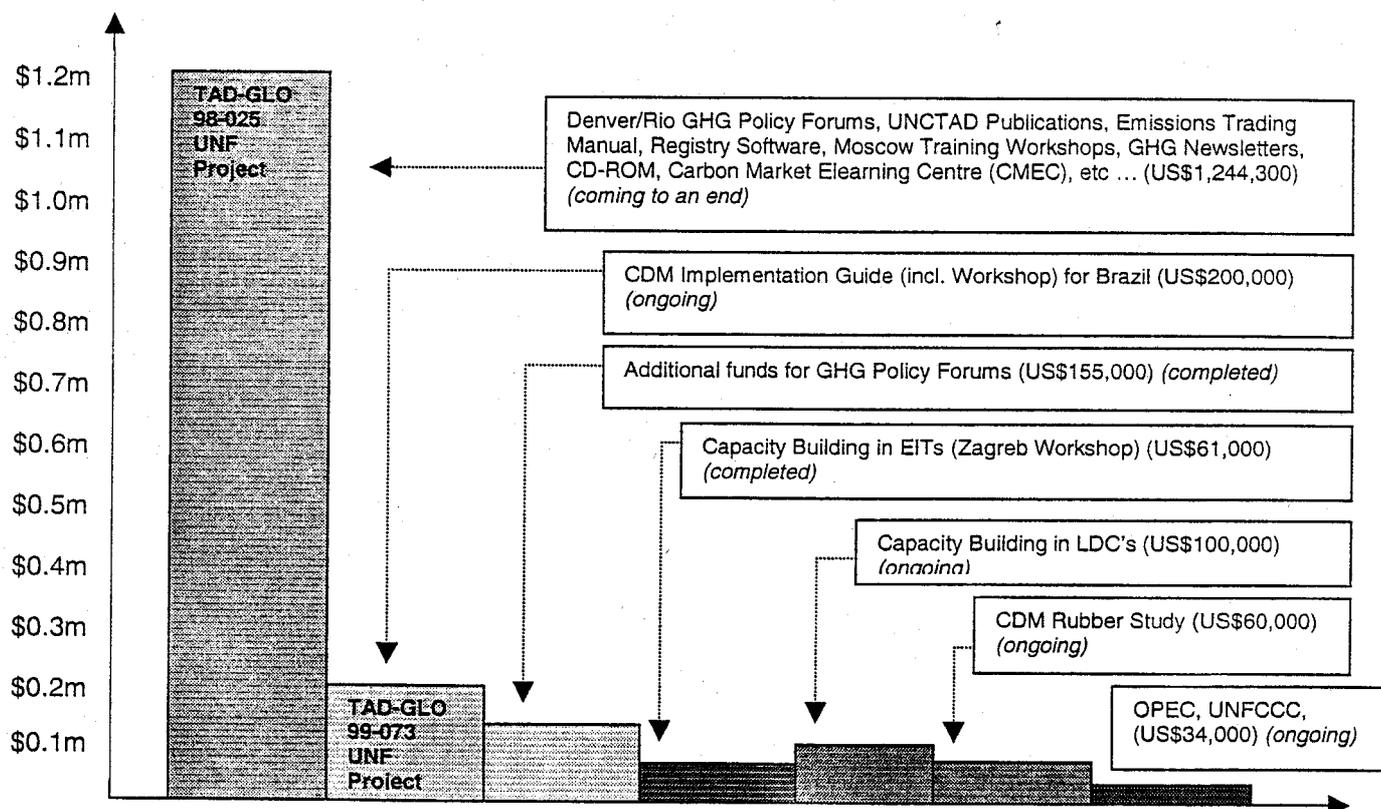
The major activities that this project has contributed to under the overall auspices of the UNCTAD Carbon Market Programme during the timeframe from 1999 to present, with either partial or full funding from this project have been numerous. Significant achievements include:-

- 1999 launch of International Emissions Trading Association (IETA) in London
- 1999 Regional Workshop on support for emissions trading in Economies-In-Transition, Moscow, Russian Federation
- 1999 GHG Emissions Trading “Defining the principles, modalities, rules and guidelines for verification, reporting and accounting” publication
- 1999 “International Rules on GHG Emissions Trading” publication
- 1999 GHG Emissions Trading Newsletter (ongoing on a periodic basis)
- 2000 Fourth GHG Policy Forum in Denver, Colorado
- 2001 Fifth GHG Policy Forum in Rio, Brazil
- 2001 Emissions Trading Manual
- 2001 CDM - GHG Market Perspectives publication
- 2002 Capacity Building Workshop for EITs in Zagreb, Croatia
- 2002 An Implementation guide to the Clean Development Mechanism: The Rules from Marakech (publication)
- 2002 The Kyoto Protocol and the Emerging Carbon Market (publication)
- 2002 Domestic Climate Policies and the WTO (publication)
- 2002 A Laypersons Guide to Emissions Trading (with UNEP) publication
- 2002 fully revamped and updated website at (<http://www.unctad.org/ghg>)
- 2002 Carbon Market Elearning Centre (CMEC) (<http://www.learnsd.org>)
- 2002 Online training courses for the CMEC on Emissions Trading and the CDM Implementation guide

- 2002 Renewed cooperation with other UN agencies including planned and ongoing activities with UNEP, UNDP, UNFCCC Secretariat, and the World Bank

In addition, participation in side events organized as part of COP 5,6, 7 and 8 and UNFCCC Subsidiary Body meetings outlining the activities of the UNCTAD Carbon Market Programme has become a standard feature of the programme. The UNCTAD CMP has also participated in numerous other workshops and seminars related to the carbon market. This project has allowed UNCTAD to examine in details issues related to the development of a plurilateral GHG market that it would not otherwise have had the resources to examine as the following table illustrates.

Table 1-2 – UNCTAD CMP Resources from 1999-2002 (illustrating contribution of TAD – GLO – 98 – 025 to Overall Programme)



Over the period 1999-present, this project alone has represented approximately 60% of all resources available to the UNCTAD Carbon Market Programme. In terms of both resource commitment and range and scope of activities this represents a significant contribution to the overall programme.

UNCTAD core resources contributing to the Carbon Market Programme are not shown on this table. Since the departure of the first Project Coordinator in April 2000, no UNCTAD core resources have been committed to the Carbon Market Programme. Overall contribution from UNCTAD to the Carbon Market Programme in terms of core resources to the Programme from 1999 to the present can be estimated at under US\$200,000 and therefore this represents less than 10% of the overall Carbon Market programme costs.

The following table indicates which outputs from the CMP Programme can be attributed to this project and which outputs come from other areas of the CMP. It demonstrates the significant contribution of this project to the overall programme. It also indicates that towards the end of the project (e.g – from late 2001 onwards) due to resource constraints there has been a greater emphasis on fund-raising for CMP activities.

Table 1-3 – UNCTAD CMP Outputs indicating the contribution of this project vis-à-vis other components of the Programme

Outputs	UNF Project TAD-GLO-98-025 and GHG Emissions Trading Programme	Mixture	Carbon Market Programme
Rio GHG Carbon Market Forum (2001)			
Moscow Capacity Building Workshop (1999)			
Defining Principles, Modalities, Rules for Monitoring, Verification, and Accounting (1999)			
International GHG Rules on Emissions Trading (1999)			
CDM – GHG Markets Perspective Publication (2001)			
CDM Implementation Guide for Brazil			
CDM Implementation Guide for Philippines, Tanzania etc ..			
Emissions Trading Manual (2001)			
Laypersons Guide to Emissions Trading (2002)			
CDM – Guide to the Rules from Marrakech (2002)			
CD-Rom of all UNCTAD CMP Activities (1995-present)			
Launching of IETA			
Denver GHG Policy Forum (2000)			
Rio GHG Policy Forum (2001)			
Planned Asia GHG Carbon Market Development Forum (2003)			
Zagreb Capacity Building Workshop (2002)			
GHG Emissions Trader - Newsletter			
Prototype Registries Software			
UNCTAD CMP Website			
Carbon Market Elearning Centre (http://www.sdlearn.org) and (2) online courses on CDM and Emissions Trading			

The pluri-lateral GHG market that was envisaged at the start of this project now exists with almost 100 million tonnes of CO2 equivalent having been traded by late-2002. In addition, there are active domestic emissions trading markets in the United Kingdom and Denmark, multi-million dollar carbon purchasing schemes from the World Bank's Prototype Carbon Fund and Dutch ERUPT programmes (with other national schemes likely to emerge in 2003), and a proposed EU wide mandatory emissions trading scheme, planned to start from 2005. The size of the global market for credits from emission reduction projects is currently estimated at US\$200 million not including the World Bank PCF (US\$180 million) and the Dutch Government's ERUPT Programme (US\$100 million). This is expected to grow to beyond US\$1 billion over the next two to three years as demand increases and more buyers enter the market. The success of this project can be measured by the contribution of the UNCTAD Carbon Market Programme to the wider development of the emerging GHG market, including the rules, guidelines and policy, legislative and regulatory frameworks that have emerged.

There is no doubt that UNCTAD, through its GHG Policy Forums and capacity building workshops, training and publications, has played a significant role in assisting the development of this market and in engaging a wide range of stakeholders including governments, NGOs, and the private sector in this process. It should be recalled that UNCTAD began working on issues related to the development of an international GHG market in emissions trading in 1991 over 10 years ago, well before the Kyoto Protocol came into force, when there was very little private sector interest in an international GHG market. At the time of the 1992 Rio Earth Summit and the signing of the UNFCCC, UNCTAD was already promoting the benefits of a plurilateral GHG emissions trading market with a study entitled "Combating Global Warming: Study on a global system of tradable carbon emission entitlements" At this time, it should be recalled, there was only a general commitment from governments to stabilize GHG emissions in the atmosphere at 1990 levels by the year 2000 (a target which was not met), private sector involvement was limited, and the market based mechanisms of the Kyoto Protocol were an idea of the future.

Addressing Specific Objectives under this Project

Objectives a) b) c) and d) of this project were addressed through a series of high profile publications which were distributed widely to a mailing list of 700 key climate change stakeholders and promoted through side events at Subsidiary Body meetings and meetings of the Conference of Parties (COP) to the UNFCCC. Objective e) was addressed primarily through training workshops held in Moscow in 1999 and in Zagreb May, 2002

In 1999, the UNCTAD Carbon Market Programme published "International Rules for Greenhouse Gas Emissions Trading – Defining the principles, modalities, rules, and guidelines for verification, reporting, and accountability." The publication contained articles from leading experts on the concept of emissions trading, a review of lessons learned from other emissions trading schemes such as the US acid rain and RECLAIM programmes, some insights into different emissions trading models, principles for designing the administrative system, and analysis on aspects related to monitoring, certification, verification and notification, reporting, compliance, enforcement and accountability and risk in international emissions trading. In 2000, UNCTAD in close collaboration with UNDP, UNEP, and UNIDO published "The Clean Development Mechanism – Building International Public-Private Partnerships under the Kyoto Protocol." This publication formed the basis for further work on capacity building and the clean development mechanism, which UNCTAD is undertaking as part of the UNF InterAgency project (TAD-GLO-099-073). Both publications are of high quality and were well received.

The CDM publication has formed a useful input to UNCTAD's ongoing and future work on CDM. In 2001, the UNCTAD Carbon Market Programme published "GHG Market Perspectives – Trade and Investment Implications of the Climate Change Regime" which examined the legal and institutional framework surrounding the Kyoto mechanisms. This publication examined various issues and options surrounding the design of emissions trading

schemes, discussed the potential size of the emerging carbon market, reviewed GHG emissions trading schemes currently under implementation or discussion, and assessed the voluntary participation of developing countries in emissions trading.

It is difficult to quantify the impact of these publications in terms of their effectiveness beyond the fact that they were widely disseminated and discussed as part of side-events at UNFCCC meetings. However, all the people interviewed as part of this review indicated that they believed the publications to have been highly relevant and useful.

In 2002, UNCTAD produced two further publications "A CDM Implementation Guide – The rules from Marrakech" and "A Laymans Guide to Emissions Trading" (in collaboration with UNEP). These publications are to form the basis of future online e-learning courses to be offered through the Carbon Market e-Learning Centre (CMEC).

Objective e) of the project was achieved through the delivery of two capacity building workshops organized by UNCTAD and partly funded under this project. A capacity building workshop was held in Moscow in 1999 on capacity building for emissions trading and another capacity building workshop was held in Zagreb, Croatia in 2002.

The project originally intended to put in place national training programmes to assist both policy makers and market makers to put in place efficient institutional and regulatory frameworks and adequate market mechanisms for international emissions trading. The emissions trading manual developed under the project was one tool which was developed to assist with the development of training programmes. These training programmes, as originally envisaged, have not been undertaken but with the Carbon Market Elearning Centre, UNCTAD now has an efficient tool which can be used to assist in building this capacity, utilizing specific outputs such as the emissions trading manual and CDM guide to reach a wide range of climate change stakeholders in developing countries. One advantage of using the Internet as a learning medium on all aspects related to climate change is the ability to reach more key stakeholders at significantly lower cost.

3. Review of Effectiveness of Project Implementation Strategy

Project Impact and Effectiveness

Without question, UNCTAD has played a major role in the development of the emerging GHG market. All of the people interviewed as part of this review were of the opinion that the project has had a significant impact in contributing to the development of a plurilateral GHG market. Some quantitative indicators of project impact are available.

For example:-

- Denver GHG Policy Forum in 2000 attracted 133 participants
- Rio Policy Forum in 2001 attracted over 300 participants from more than 30 countries from all sectors of civil society (governments, private sector, NGOs, international institutions) (largest international climate change meeting in 2001 outside of the Conference of Parties and UNFCCC Subsidiary Body meetings)
- Sustainable Developments Report of Rio Forum reached a readership of 25,000 and reports are available on the internet at <http://www.iisd.ca/climate/riopolforum/> (for US\$14,000 this represents an excellent investment in information outreach)
- Carbon Market Elearning Centre (CMEC) (<http://www.learnsd.org>) has attracted an average of 8,000 hits per day and 300 interested participants for enrolment in the first two planned courses on CDM and emissions trading
- UNCTAD CMP was present at over 20 speaking events per year related to climate change since 1999 (including UNFCCC meetings and other seminars, and workshops)

- Mailing list of over 700 key climate change stakeholders for all UNCTAD publications and for the GHG Emissions Trader Newsletter. The following table indicates the impact of this projects activities

Table 1-4 – UNCTAD CMP Impact and Effectiveness of Project Activities

Objective	Status	Publications	Events	Activities
Launching a Plurilateral GHG Emissions Trading Scheme	Activities finishing	Defining rules principalities, modalities for emissions trading (1999), GHG Emissions Trading Publication	Training Workshop (Moscow, 1999), GHG Policy Forum (Denver, 2000), Side Events at Subsidiary Body meetings (1999) COP5 (1999), Subsidiary Body Meetings (2000), COP6 (2000),	Launching of IETA (1999), promotion and dissemination of publications
Promotion of the Participation of Developing Countries in the emerging carbon market	Ongoing	CDM – Building Public-Private Partnerships (1999) CDM Implementation Guide (2002)	GHG Carbon Market Forum (Rio, 2001) Side-Events at COP 6-bis (2001), COP7 (2001), Subsidiary Body meetings (2002), COP8 (2002)	CDM e-learning course, support to Brazil, Philippines, Tanzania with developing CDM implementation guide, CMC and OPEC studies, UNFCCC workshop on GHG inventories
Promoting Participation of EITs in emerging carbon market	Ongoing	Emissions Trading Manual (2001) (with Earth Council) Laymans Guide to Emissions Trading with UNEP (2002)	Moscow Workshop (1999), Zagreb Workshop (2002) Side-Events at COP 6-bis (2001), COP7 (2001), Subsidiary Body meetings (2002), COP8 (2002)	Emissions Trading e-learning course, Proposal to support EITs with linking to EU emissions trading scheme, proposal to support EITs with developing national registries

UNCTAD/Earth Council GHG Policy Forum

The GHG Policy Forum was established in June 1997 by UNCTAD and the Earth Council, with the advice of Centre Financial Products Limited of Chicago (now renamed Environmental Financial Products Limited). GHG Policy Forums have been held in Chicago (1997), Toronto (1997), London (1998), Denver (2000), and Rio (2001) and have been largely successful. Two of the Policy Forums (Denver and Rio) were partly supported under the auspices of this project and the fifth session of the forum in Rio was renamed Carbon Market forum to reflect the new focus of the programme. The fourth session of the Policy Forum in Denver attracted 133 participants while the fifth session in Rio attracted over 300 executives, officials, and representatives from the private and public sector in over 30 countries. A sixth session of the Carbon Market Forum is planned for March of 2003 in the Asia-Pacific region in collaboration with the Earth Council Geneva, Asian Development Bank (ADB), ASEAN Centre for Energy (ACE), United Nations Development Programme (UNDP), World Business Council on Sustainable Development (WBCSD), British Petroleum (BP), World Bank Prototype Carbon Fund (World Bank PCF) and the International Emissions Trading Association (IETA).

The aim of the GHG Policy Forum was initially to provide support to interested governments, corporations and non-governmental organizations on the discussion issues related to the launch of a plurilateral greenhouse gas emissions scheme. By the fourth Policy Forum in Denver, the main aim had shifted towards sharing national experiences and private sector risks and opportunities in the emerging carbon market. The fifth Policy forum (organized in collaboration with IETA and renamed Carbon Market Forum) continued this focus by addressing the trade and investment aspects of climate change with a particular focus on bringing together buyers and sellers in the emerging market. All interviewees found the GHG Policy Forum to be an extremely useful vehicle and recommended its continuation (on an annual basis) and strengthening. If there is to be any criticism concerning the GHG policy forums it must be that the majority of participants are from developed countries and that the private sector from developing countries has, to date, been underrepresented (with the exception of the last Rio GHG Policy Forum in Rio). This project has helped to overcome this barrier by providing some limited funding for participants from developing countries. In this context, the collaboration with Earth Council has been quite useful in ensuring the participation of NGOs and civil society. However, it is clear that in future the GHG Policy Forum could benefit if more resources were available to support developing country participation in Forum activities. It is also apparent that the people who do get invited from developing countries to these meetings are the same people every time. Given that there is a need to broaden the level of awareness in developing countries on opportunities to participate in the emerging carbon market, it would be useful to aim to invite and fund the participation of a wider cross section of key climate change stakeholders in developing countries to future GHG Carbon Market Forum.

Continuation of the GHG Carbon Market Forum

One of the key outcomes of the last two Forums has been a unanimous request to continue the annual event as one of the key references of the emerging carbon market. Unfortunately, in 2002, UNCTAD was unable to hold the sixth version of the Policy Forum and the next event is planned for 2003. The irregular intervals between Policy Forums is an issue that should be addressed within the context of future planning with the aim of holding the GHG Policy Forum as a regular annual event. The wide range of institutions and stakeholders involved in the sixth GHG Carbon Market Development Forum planned for March 2003 in Manila represents an encouraging sign for the future.

UNCTAD CMP Newsletter

The UNCTAD Carbon Market Programme "GHG Emissions Trader" has produced eleven issues (of which issues 6 to 11 were published during the lifetime of this project). The content of the newsletter is generally viewed as being useful by those who have received it and who were asked for comment. The newsletter would certainly benefit from being published more regularly (there was a one year gap between issue 7 and issue 8 and a sixteen month gap between issue 10 and the latest issue number 11 which was published in August 2002) and from being distributed at more workshops, seminars, and side events on climate change.

UNCTAD CMP Website

In June 2002, the UNCTAD Carbon Market Programme effectively overhauled and upgraded its website which was developed during the timeframe of this project. The new website is much improved and outlines all the current and future planned initiatives. To increase knowledge and awareness of UNCTAD CMP activities it would be useful to request all other relevant organisations and institutions working in the same fields to place links on their sites to the UNCTAD website. For more information see <http://www.unctad.org/ghg> The entire contents of the website were also placed on CD-ROM and further disseminated to key stakeholders.

Carbon Market Elearning Centre

The development of the Carbon Market Elearning Centre (<http://www.learnsd.org>) through the Earth Council Geneva (which cost US\$27,000 including US\$18,000 from this project) represents an excellent investment in allowing the UNCTAD Carbon Market Programme to deliver technical assistance and training to key stakeholders in the public and private sector in developing countries and EIT's on issues related to climate change and emissions trading. The CMEC aims to complement existing capacity-building efforts and to make e-learning technology available to the many institutions, organizations and knowledge centres that work on sustainable development issues. The CMEC has adapted outputs from this project (the emissions trading manual) and the UNF CDM Inter-Agency Capacity Building project (CDM guide) for the purpose of delivering additional training online. While it is too early to review the impact of the CMEC, early indications appear promising. The website is averaging 8,000 hits per month and over 300 people have indicated an interest in participating in initial courses on emissions trading and the CDM. The CMEC was formally launched at the 8th Conference of Parties meeting in New Delhi, India from 23 October to 2 November, 2002 and the first course (with 30 participants) began on November 5th, 2002.

Cost Effectiveness

Costs for consultants hired as part of project activities (US\$3,500 to a maximum of \$8,000 per month) and experts contributing to publications under the project (US\$5,000 – US\$10,000) are all reasonable given the experience of the experts and consultants used. Only the US\$100,000 spent to develop the Emissions Trading manual through the Earth Council (Canada) for the consultancy, Global Change Strategies International appears to be on the high side for what was produced. The Emissions Trading Manual was produced for the Rio Carbon Market Forum in August 2001 and contained a lot of useful information related to emissions trading but much of it is of a general nature which could be found on the internet and as the market is evolving rapidly much of the information became quickly out of date. Recognizing that was a large investment, the UNCTAD Carbon Market Programme has since developed the manual into an online training course as part of the Carbon Market E-Learning Centre (<http://www.learnsd.org>). The electronic format will make it much easier to update content and ensure that the manual remains relevant as the GHG market evolves.

Overall Project Cost-Effectiveness

Overall, however, the project represents a cost-effective use of resources. In particular, UNF funding has enabled the UNCTAD/Earth Council GHG Policy Forum to raise significant additional funds from donors for project related activities. For example, the Rio Carbon Market Forum used \$43,678 of UNF funds to leverage an additional \$100,000 through Brazilian Companies and Government Institutions (in collaboration with IETA) and an additional \$12,920 from the Canadian Aid Agency, CIDA; through the Earth Council in Canada. This means that for every \$1 of UNF funds spent almost \$3 in additional funding was leveraged, not to mention the large number of participants who funded their own costs of attending the Forum. In addition, information from the Rio Policy Forum was disseminated by the Earth Council to its extensive network in developing countries and by Sustainable Developments, the Reporting Service of the International Institute on Sustainable Development (IISD) with a circulation of 25,000 and a full workshop report available online available at the following address:-

<http://www.iisd.ca/climate/riopolforum/>

The contracting, in 1999, of Annex I Corporation (<http://www.annexi.com>) to develop prototype registry software for the UNCTAD Carbon Market Programme US\$50,000 does not represent a cost-effective use of project funds as the software has not been used for any purpose whatsoever. This is a situation that should be redressed in the context of future activities. One possibility would be to explore how the software could be used in the context of

future capacity building activities related to the development of national registries, as requested by CG11 countries.

In addition to the additional US\$155,000 raised in 2001 the UNCTAD CMP has also raised an additional US\$304,000 in 2002. This has included:-

- US\$100,000 from the Government of Norway for CDM capacity building activities in Least Developed Countries (LDCs);
- US\$60,000 from the UK Government Foreign and Commonwealth Office Climate Change Challenge Fund for capacity building in Economies-In-Transition to support the development of GHG markets;
- US\$60,000 from the Common Fund for Commodities (CFC) to develop a study of CDM opportunities in the rubber sector;
- US\$20,000 for a study conducted for OPEC on the impacts of globalization on trade and investment in developing countries, including from climate change
- US\$14,000 from the Swiss Government to hold a workshop on review of GHG Inventories for Non-Annex I parties in Geneva in December 2002 through the Earth Council Geneva
- US\$50,000 from the Swiss Government to develop the e-learning version of the UNFCCC GHG Inventories Review Training Course

4. Cooperation with Other Programmes and Organisations

Over the past several years, the UNCTAD Carbon Market Programme, and this project, has benefited greatly from collaboration with many UN institutions and agencies and other non-governmental and private sector organisations working in the climate change field. Three are worth particular mention. These are the International Emissions Trading Association (IETA), International Centre for Trade and Sustainable Development (ICTSD), and the Earth Council.

Cooperation with IETA

Without question, one of the greatest successes of this project has been the successful launch of the International Emissions Trading Association (IETA) in June 1999 in London. IETA is an independent, non-profit organization aimed at assisting with the development of a functional international framework for trading greenhouse gas emission reductions. IETA was originally run from UNCTAD but is now fully independent with offices in Geneva and Toronto. IETA membership currently includes 55 leading international companies, with an interest in effectively participating in the emerging carbon market. IETA has been extremely active in promoting the development of the emerging GHG market to its private sector constituency. This includes numerous discussion and position papers for its members and ten either fully or partly IETA workshops held in 2002 alone.

However, since the Rio Policy Forum in August 2001, the level of collaboration and joint planning between UNCTAD and IETA has declined significantly with separate planning for events and low levels of communication. IETA publications are currently not mentioning or featuring the UNCTAD Programme and vice versa. The UNCTAD Carbon Market Programme represents the developing country constituency in participating in the emerging Carbon Market and IETA represents the interests of its members. Both have an interest in ensuring the development of a functional, transparent, and liquid market, representing their respective constituencies so collaboration is logical. Effective and regular collaboration with IETA is an area that should be reviewed and steps taken to ensure great collaboration. Regular planning, joint planning and where possible organization of joint events at meetings of the Conference of Parties to UNFCCC and Kyoto Protocol. UNCTAD and IETA have complementary mandates and should seek ways to enhance synergies and greatly strengthen collaboration. Recent signals since COP8 in New Delhi in November 2002 are encouraging and it appears that collaboration is improving.

Cooperation with the International Centre for Trade and Sustainable Development (ICTSD)

The ICTCSD played a large role in the redesign of this project in 2000 refocusing the programme away from assisting the development of legal and policy frameworks for developing plurilateral marketed in GHG emissions trading towards the needs of developing countries in participating in the emerging carbon market. The focus on emissions trading was expanded to also include the other two flexible mechanisms of the Kyoto Protocol, joint implementation and the clean development mechanism. Cooperation with the ICTCSD allowed the UNCTAD Carbon Market Programme to focus on integrating the trade aspects of the Kyoto Protocol and has lead to the publication in 2002 of an article on climate change policies and the World Trade Organisation.

Partnership with the Earth Council

The partnership with the Earth Council has been a critical factor in the overall success of the CMP. Partnering with the Earth Council has enabled the UNCTAD Carbon Market Programme to reach out to the NGO Community (private and non-profit sectors) to ensure their representation in project activities. For example, the Policy Forums have included NGOs and through the earth council network the outcomes of the policy forums have been distributed to the international NGO network. The importance of working closely with the Earth Council is to ensure that the non-governmental voice is reflected in the activities and direction of the Carbon Market Programme. The Earth Council has had an important role in the GHG Policy Forums ensuring that this aspect is taken into account. The Earth Council has also been involved in preparing the Carbon Market E-Learning Centre (<http://www.learnSD.org>) and the Emissions Trading Manual. Collaboration between the UNCTAD CMP and the Earth Council should be continued and strengthened. The partnership with the Earth Council in terms of project implementation has also ensured that projects are executed with minimal overhead and in a timely fashion.

Cooperation with Other UN Agencies

Cooperation between the UNCTAD Carbon Market Programme has been a feature of project activities. In 1998 and 1999, UNCTAD and UNEP jointly launched an international working group on the Clean Development Mechanism (CDM) supporting efforts under the Buenos Aires Plan of Action to help elaborate rules for the CDM. UNDP and UNIDO were also involved in this process. The UNCTAD Carbon Market Programme is also currently collaborating with UNEP on the development of "A laymans guide to emissions trading" which was launched at COP8 in New Delhi. UNCTAD is also currently cooperating with the UNFCCC Secretariat on review of national GHG inventories for non Annex I Parties and will hold a workshop on this subject in Geneva in December 2002. Cooperation between UNDP, UNEP, UNIDO, UNFCCC and the World Business Council on Sustainable Development has been undertaken under the auspices of the UNF CDM InterAgency project. Enhanced synergies within UNCTAD have been made possible by placing the two UNF funded projects in charge of managing both projects. Cooperation with other UN agencies has increased over the past 18 months and this should be encouraged to continue.

Coordination with other UNF InterAgency CDM Capacity Building Project

The decision by the UNCTAD Secretary-General to place both UNF funded projects related to climate change for UNCTAD under the auspices of the Carbon Market Programme was highly sensible and has lead to enhanced synergies, beneficial for both projects. An example of collaboration between the two UNF funded projects is, for example, the use of the CDM guide developed under the CDM interagency project (TAD GLO 99 - 073) as a tool for the elearning being developed as part of the Carbon Market Elearning Centre. (CMEC).

5. Lessons Learned

Delays in Receiving Funds

A seven month delay in receiving project funds (from November 1999 until May 2000) delayed the implementation of a number of research activities, publishing of the newsletter, and holding of the 4th Session of the UNCTAD/Earth Council Policy Forum. This had a negative impact on the timely implementation of project activities. This project has highlighted the need to have in place a sound administrative structure and guidelines within UNCTAD to ensure timely and effective project implementation.

Changes in Project Management

The Project has had three Coordinators, as follows:-

Table 1-5: Project Management

Project Coordinator	Dates	Full-Time/Part-Time
Mr Frank Joshua	December 1998 - April 2000	Full-Time GHG Emissions Trading Programme
Mr Salvano Briceno	April 2000 - June 2001	Half-Time GHG Emissions Trading Programme
Mr Lucas Assuncao	June 2001 - present	Half-Time Carbon Market Programme

While in the short-term, the change in Project Coordinator may have had a slight impact on project activities in moving back the timing of certain activities; overall it appears not to have had any major negative impact.

However, the lack of any action to utilize the prototype registry software developed in 1999 and 2000 is one example where the change in Project Coordinator may have had a negative impact on project implementation. In addition, the lack of any new high profile activities in the six months immediately after the 2001 Rio GHG Policy Forum is another example whereby the change in Project Coordinator may have led to some delay in programme implementation.

Visibility of Activities carried out under this Project

One of the main themes which became apparent during the series of interviews conducted as part of this review was that since the Rio Policy Forum (August 2001) which had a high visibility, carbon market participants interviewed are not fully aware of the current activities and focus of activities under the Carbon Market Programme. As resources available to the Carbon Market Programme (including from this project which has been the major funding source) the visibility of the Programme has declined significantly. From late 2001 (after Rio GHG Forum) through to early 2002 limited activities were undertaken.

This lower visibility may be partly due to the fact that no full time UNCTAD core resources have been committed to coordinating the Carbon Market Programme since the first coordinator (Mr Frank Joshua) left in April 2000. It may also be partly due to the fact that the current Coordinator is only part-time and has a large workload managing the UNCTAD BioTrade Initiative in addition to his Carbon Market Programme responsibilities. The lower visibility may also be partly due to the fact that the programme has been fully redesigned over the past 12 months is now moving more towards assisting developing countries and not on assisting with developing a policy and legal framework. Some examples of lower visibility include:-

- Most interviewees said that they were relatively unaware of what the UNCTAD Carbon Market Programme had been undertaking over the past 12 months since the last high profile event, the August 2001 Rio Policy Forum,
- 14 month delay between issue 10 and issue 11 of the UNCTAD GHG Emissions Trading Quarterly Newsletter,
- Last major UNCTAD publication under the project (GHG Market Perspectives came out in June 2001);
- UNCTAD CMP has over the past 12 months not been participating in many relevant international workshops and seminars related to climate change due to resource constraints

The lower visibility of this Programme over the past 12 months does not necessarily mean the project has not been effective. As has been noted before, with a few exceptions (e.g – prototype registries software this project has had a) excellent impact in terms of feedback from project stakeholders b) represented a cost-effective use of funds and achieved high leveraging of additional resources c) an important contribution to play to the emergence of a plurilateral GHG market. In particular, the GHG Policy Forum has been not only excellent visibility but has a cornerstone around which the UNCTAD CMP has been based. The upcoming Asian Carbon Market Forum that is being organized by a consortium with Asian Development Bank, IETA, WBCSD, UNDP, Prototype Carbon Fund (World Bank PCF) and others. This should ensure that the programme is back at the forefront of promoting the development of the carbon market.

Sustainability

UNF funds have made a critical contribution to enabling UNCTAD to continue its role as a pioneer in contributing to the emergence of a plurilateral GHG market. However, this reviewer questions the sustainability of the project activities given that as this project comes to an end there is now limited resources available for most of the new initiatives that the UNCTAD Carbon Market Programme is planning or is starting to implement with new partners. Stable support for the Programme is best built around a solid institutional base as opposed to around small grants from donors received on an ad-hoc basis. This project is only sustainable if UNCTAD is able to build upon the strong knowledge base and network that has been created with a longer-term vision. As visibility of the Programme has declined over the past 12 months and the programme is currently without a longer-term secure funding basis, sustainability of the project is seriously questioned.

Table 1-6 UNCTAD Institutional Support for Carbon Market Programme Activities

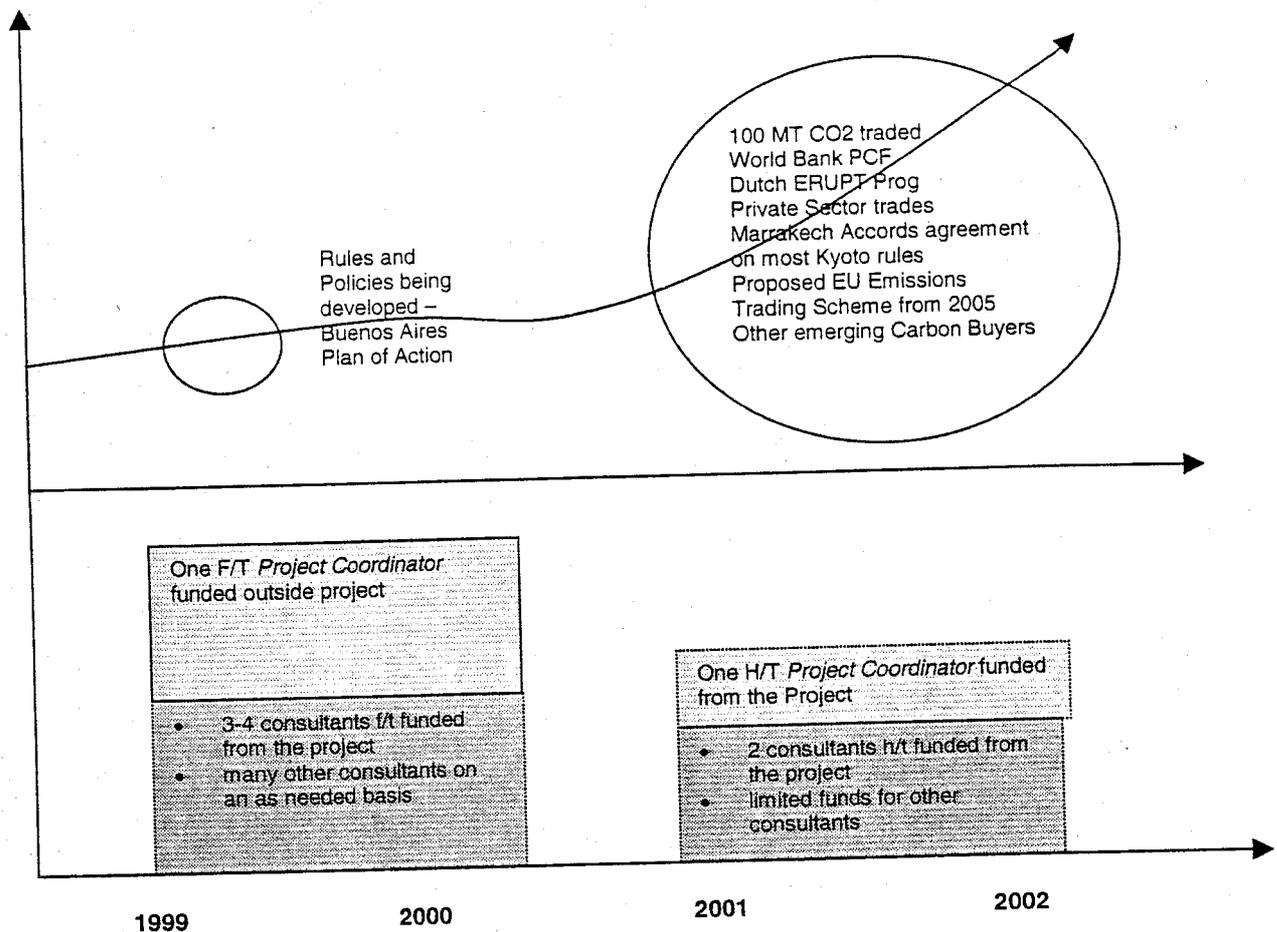


Table 1-7 – Change over time in GHG Market versus UNCTAD CMP Resources

Year	Linkage between climate change and trade and Investment	Volume of CO ₂ traded in International Markets	Private Sector companies participating in carbon market	UNCTAD Carbon Market Programme Resources
1999	Weak	Small	Few	Medium
End 2002	Strong	Large	Many	Small

As the carbon market has evolved and grown over the past four years and the Kyoto Protocol has become more closely related to trade and investment, core UNCTAD resources committed to the support of this project and the UNCTAD Carbon Market Programme have declined significantly.

The logic behind this is not clear but the consequences are. UNCTAD may lose the opportunity to continue to play a significant role in continuing to support the development of the emerging GHG market, linking climate change to issues related to trade and development. One of the major findings of this review has been that need to for the UNF recipient UN institutions (in this case UNCTAD) to commit significant internal resources into project activities, if project results are to be sustainable.

6. Recommendations

Overall, this project represents a successful investment for UNF. During the past four years, UNF support has played a critical role in enabling UNCTAD to continue its pioneering role in supporting the development of the emerging GHG market through the project "**Launching a Plurilateral Greenhouse Gas Emissions Trading System (TAD-GLO-98-025)**" which ran from February 1999 until the end of 2002. This project has been the backbone for the past several years around which the UNCTAD Carbon Market Programme has been based and other activities and smaller projects have been structured and designed.

Overall, this project has been a big success. UNF support has enabled UNCTAD to examine in much greater capacity issues, which it would not otherwise have been able to support to such a great extent. At the same time, the state of the GHG market has evolved rapidly and the need for policy analysis around the development of the rules for the emergence of an international market in emissions trading has decreased. With the Marrakech accords, many of the rules surrounding the operationalization of the Kyoto are now in place and a global carbon market is emerging. Emissions Trading in greenhouse gases has gone from more of a conceptual issue to one of market facilitation and trade promotion in low GHG emitting technologies, using CDM, JI and emissions trading as the tools. There is now an urgent need for the international community to give priority to the support of country based activities to enable developing countries (and in particular LDCs) with the knowledge and capacity to be able to use the market based mechanisms of the Kyoto Protocol to facilitate trade and investment into their countries. Clearly, UNCTAD has an important role to play in this new and emerging market.

General Recommendations

- 6.1.1 The partnership between UNCTAD and the Earth Council should be strengthened and formalized. The partnership has brought tremendous added value to the programme through the Carbon Market Forum, the Carbon Market E-learning Center and in implementing capacity-building projects. The CMEC in particular promises to be an exciting new tool for capacity building.
- 6.1.2 UNCTAD/Earth Council GHG Policy Forum bringing together buyers and sellers in the emerging carbon market should be strengthened and continued. A means should be found to hold the event on an annual basis (rotating among different geographical regions) and cooperation with IETA, Earth Council and other relevant international institutions and key private sector stakeholders for the planning and organization of future Policy Forums should be continued and strengthened and enhanced ways of means of ensuring greater developing country participation should be sought.
- 6.1.3 In future, the UNCTAD Carbon Market programme should continue to focus on building capacity for the better integration of developing country participants into the world economy using the flexibility mechanisms of the Kyoto Protocol (emissions trading, joint implementation, and clean development mechanism) as tools to achieve these aims. Greater developing country private sector participation should be encouraged. Based around these core themes, the UNCTAD Carbon Market Programme, in consultation with its key partners and stakeholders, should develop a vision for the implementation of this programme. Key aspects of this vision could include, *inter alia*, a template for CDM capacity building activities (based on work in Brazil and the Philippines), support for engagement of private sector actors for participation in the emerging carbon market, special emphasis on capacity building activities in LDCs, and support for economies-in-transition with participation in joint implementation and emissions trading activities. These activities should be country driven and involve local stakeholders and actors, to the extent possible.

- 6.1.4 Although a major component of this project has been "information dissemination" there was no clearly articulated information dissemination strategy available. The UNCTAD Carbon Market Programme should develop an "Information Dissemination Strategy". While major events under the Programme such as the GHG Policy Forums and the publications of materials and articles were widely disseminated there is no coordinated and comprehensive information dissemination strategy for Programme activities. While Internet and mail out strategies have been used other media forms (such as newspapers, radio, tv) have not been utilized to disseminate the results of project activities. The Information Dissemination strategy should be designed to raise the profile and visibility of the Programme so that impact and effectiveness can be more clearly and quantifiably measured.
- 6.1.5 The Carbon Market Elearning Centre (CMEC), developed at a very low investment to date, has excellent potential and has represented an innovative approach to reaching a broader constituency of climate change stakeholders. The approach using modules in different areas represents an excellent model for replication. However, means need to be found to ensure that the CMEC has resources to provide courses to developing country participants and is linked to the capacity building programmes of other international institutions working on the Kyoto Protocol. The number of courses being developed should be increased to cover new and emerging topics reflecting the needs of new participants in the carbon market, with a special emphasis on developing countries and least developed countries (LDC's).

Recommendations for UNF

- 6.2.1 This project can be said to have achieved its main objective and there is no need to continue support for development of rules and the framework related to the plurilateral market in emissions trading. Overall, this project has represented a good investment for UNF and has made a valuable contribution to the development of the carbon market. The carbon market now exists under the framework of the Kyoto Protocol. It is growing, and UNCTAD has clearly played an important role in helping this market to develop. There is no need to fund further activities related to this objective.
- 6.2.2 As the carbon market continues to emerge, it is becoming increasingly apparent that there is currently a huge lack of human capital in developing countries and economies-in-transition (especially in the private sector) with the knowledge and capacity to facilitate the further development of the market in emissions trading, joint implementation, and clean development mechanism. Limited international resources are currently being directed to the participation of these key stakeholders in the emerging carbon market. Should UNF consider that an initiative to "facilitate investment promotion and market facilitation through use of Kyoto mechanisms in developing countries and economies-in-transition" aimed at building linkages and promoting investment into the private sector in these countries and international financial markets, UNF could consider how to best design and structure such an initiative with the relevant UN agencies, including possibly UNCTAD. Activities should be designed in such a way as to respond to the needs of the market and could include:-
- Strengthening and enhancing the value of the Carbon Market Forum bringing together buyers and sellers
 - Providing clear guidance to climate change stakeholders in developing countries and EITs with the development of joint implementation and clean development mechanism projects
 - Support for developing countries and EITs to be able to participate in international emissions trading

- Developing the capacity of the private sector in developing countries and EITs to take advantage of the opportunities to benefit from carbon finance

Consideration of any further support by UNF to the Carbon Market Programme should be conditional upon UNCTAD providing greater levels of institutional support.

Recommendations to UNCTAD

- 6.3.1 This project has made a major contribution to UNCTAD's effort in the area of contributing to the development of a plurilateral GHG market. However, as the GHG market has developed and the rules for the Kyoto mechanisms have been further defined, the visibility of the programme and scope and variety of activities appears to have dropped, largely due to resource constraints. UNCTAD should carefully consider the future role it wants to play in assisting with the development of the GHG market, and how best to link this role to its investment promotion mandate. There are many synergies that have not yet been fully explored. One possibility would be to explore developing greater linkages between work that UNCTAD has been taking on issues related to trade and investment and the WTO linking this to Kyoto Protocol issues. For example, the World Investment Report that UNCTAD prepares could examine including a section on climate change given the investment potential encouraged by the Kyoto Protocol mechanisms. A greater level of institutional support from UNCTAD should be carefully considered to ensure the sustainability of the results of this project. The risk of not providing this support to Carbon Market programme activities is that other (arguably less qualified) UN Agencies and Institutions will assume the mantle for capacity building activities and the Kyoto mechanisms and that the UNCTAD role will diminish.
- 6.3.2 As a last resort, If UNCTAD is unable to provide an appropriate level of institutional support to future activities to the Carbon Market Programme, a thorough examination should be made of how to transfer the knowledge gained, network established, and vision which has been created to another Agency or Institution which may be better placed to carry out this role in future. A review could be undertaken within UNCTAD to determine which agency or institution is based place to continue the mandate of the UNCTAD Carbon Market Programme. UNDP, UNEP, UNIDO, UNOPS and other agencies and international institutions active in climate change capacity building activities in developing countries could be all considered.

The following table summarizes the major recommendations from this review

Table 1-8 – Summary of Recommendations from this Review

	Category	Aspect of Programme	Recommendations
6.1.1	General	GHG Policy Forum	Should be held on a regular basis (rotating different regions) and include more developing country participation. Should continue to be held in collaboration with other partners such as IETA, Earth Council and other international institutions. Means of strengthening collaboration with IETA, in particular, should be identified and pursued.
6.1.2	General	General Programme Direction	Should continue to focus on the participation of developing countries in the emerging GHG market. The core of the programme should be designed around the needs of developing countries and EITs, and closely linked to market activities.
6.1.3	General	Information Dissemination Strategy	UNCTAD Carbon Market Programme should develop a comprehensive information dissemination strategy to raise visibility
6.1.4	General	Carbon Market Elearning Centre	Should be strengthened and needs support to ensure widest possible dissemination to key stakeholders in developed and developing countries. Means should be found to link the CMEC to the Kyoto Protocol capacity building initiatives of other international institutions.
6.2.1	UNF	Support for the development of policy, legislative and regulatory frameworks	No need for continued support. Project has met objectives and been successful. The carbon market now exists and this project has played an important role in its development.
6.2.2	UNF	Support for developing country participation in emerging carbon market	UNF may wish to consider how it could best support the strengthening of developing country participation in the emerging carbon market (through CDM and JI) working with the appropriate UN agencies, in context of future planning. Any possible future UNF investment to support the UNCTAD Carbon Market Programme should be conditional upon UNCTAD providing greater core resources and support.
6.3.1	UNCTAD	Future role of Carbon Market Programme	UNCTAD should consider the issue of institutional support for the Carbon Market Programme, including a review of where the UNCTAD Carbon Market Programme best fits within UNCTAD's overall mandate and institutional structure.
6.3.2	UNCTAD	Future role of Carbon Market Programme	As a last resort, and alternative to ensure knowledge and elements of Carbon Market Programme are not lost, UNCTAD should consider transferring the UNCTAD Carbon Market Programme mandate to another UN Agency

7. Appendices

- People Interviewed as part of this Review (Appendix I)
- About the Reviewer (Appendix II)
- Glossary (Appendix III)
- Project Document (attached)
- All Project Reports and Progress Reports

Appendix I People Interviewed as Part of this Review

This review was undertaken over a period of 10 days between 6th and 23rd of October, 2002 of which five were spent in Geneva at the UNCTAD offices. The review has included telephone interviews and interviews in person with the following people who have been involved over the past three years with the UNCTAD Carbon Market Programme.

Name	Previous Relationship to Project	Current Position
Mr Frank Joshua	Former Project Coordinator	Managing Director, Natsource (Europe)
Mr Salvano Briceno	Former Project Coordinator	Director, United Nations Inter-Agency Strategy for Disaster Reduction (UN/ISDR)
Mr Lucas Assuncao	Former consultant to UNCTAD Carbon Market Programme	Coordinator UNCTAD Carbon Market Programme
Mr Gao Pronove	Senior Advisor UNCTAD Carbon Market Programme	Senior Advisor UNCTAD Carbon Market Programme
Ms Stephanie Foster	Involved in project activities including Rio Forum	Earth Council
Mr Robert Dornau	Cooperation on project activities	International Emissions Trading Association (IETA)
Mr Andrei Marcu	Cooperation on project activities	Executive Director, International Emissions Trading Association (IETA)
Dr Richard Sandor	Involved in GHG Policy Forums	Chicago Climate Exchange (CCX)
Mr Alan Reed	Project Consultant	Annex I Corporation (US)
Mr Frede Cappelen	Cooperation on Project Activities	StatOil (Norway)

The review was revised and clarifications were made following discussions and comments from Mr Lucas Assuncao and Mr Gao Pronove at COP8 in New Delhi, India in October/November 2002. UNCTAD held a side event at COP 8 to showcase the programme, outline future activities and planned events, and disseminated a CD-ROM the includes all of the project's outputs from 1998 until 2002.

Appendix II About the Reviewer

John O'Brien is an international climate change consultant with 10 years of consulting experience in the energy and climate change field working for and with national governments, the private sector and international institutions such as the World Bank, the United Nations and its specialized agencies.

Mr O'Brien has a particular focus and interest on the operationalization of the Kyoto mechanisms with wide ranging experience in developing, fund-raising for and delivering climate change capacity building programs in developing countries. He is also experienced as a project developer in identifying and elaborating new joint implementation and clean development mechanism projects for sale of emission reduction credits in the emerging carbon market. Mr O'Brien has previously worked on international climate change programmes and projects for the United Nations Development Programme (with the Global Environment Facility), the World Bank (in collaboration with the Prototype Carbon Fund), UNEP, and the UNFCCC Secretariat. He was also previously a Manager in the New Zealand Government working on the development of international environmental policy, representing the New Zealand Government at international environmental meetings in different countries.

Mr O'Brien has also worked in the UK since 2000 on issues related to the design and implementation of the UK Emissions Trading Scheme and on advising international companies on business strategy development taking into account future impacts of the Kyoto Protocol. Mr O'Brien can be contacted at john.obrien@enviros.com or johnobrien98@yahoo.com

Appendix 3 Glossary of Terms

Term	Explanation
Assigned Amount Units (AAUs)	The total amount pursuant to the Kyoto Protocol of an industrialised country's anthropogenic GHG emissions, over a certain commitment period of which the first one is going to be 2008-2012.
Baseline	The emissions of greenhouse gases that would occur without the contemplated policy intervention or project activity (i.e – under the business-as-usual scenario).
Clean Development Mechanism (CDM)	Project Based Mechanism of the Kyoto Protocol. Measure under Article 12 of the Kyoto Protocol whereby investments by Annex I parties in developing countries which result in emission reductions can generate certified emission reductions (CERs).
Emission Reductions (Ers)	The measurable amount of greenhouse gases in the atmosphere reduced from a specific project or activity over a specific area and specific period of time.
Emissions Trading	Under Article 17 of the Kyoto Protocol, parties can trade assigned amount units (AAUs) as a more cost-effective way of meeting their targets under the Protocol. Emissions trading can be divided into international emissions trading (among parties) and domestic emissions trading.
EIT's	Economies-In-Transition = those countries of the former Union of Soviet Socialist Republics and Central and Eastern Europe which have been transforming to market based economies.
Environmental Additionality	All emissions reductions (Ers) under CDM and JI projects must be additional to those reductions that would occur in the absence of the Kyoto Protocol. Environmental Additionality is established where there is a positive difference in those emissions which would occur in the baseline scenario and the emissions that will occur in the proposed project.
Greenhouse Gases (GHGs)	The six gases listed in Annex A of the Kyoto Protocol are carbon dioxide (CO ₂), methane (CH ₄), nitrous oxide (N ₂ O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF ₆).
Joint Implementation (JI)	Project Based Mechanism of the Kyoto Protocol. Measure under Article 6 of the Kyoto Protocol where an Annex I party may acquire emission reduction units (ERUs) from investments in other Annex I parties that result in emission reductions.
Kyoto Protocol	Commits parties to an average of 5.2% reduction in GHGs below 1990 levels by 2008-2012 which is the first commitment period.
UNCTAD GHG Emissions Trading Programme	Up until mid-2001, the UNCTAD CMP was called the GHG Emissions Trading Programme. The UNCTAD GHG Emissions Trading Programme began in 1991.
UNCTAD Carbon Market Programme	UNCTAD Carbon Market Programme – In 2001, the UNCTAD GHG Emissions Trading Project of which this project (TAD-GLO-98-025) formed a major part became the UNCTAD Carbon Market Programme. The CMP has had as its major

	focus to assist developing countries and EITs with effective participation in the emerging carbon market. The CMP focuses on all three flexibility mechanisms of the Kyoto Protocol; emissions trading, joint implementation, and the clean development mechanism.
United Nations Framework Convention on Climate Change (UNFCCC)	International Treaty adopted in Rio in 1992, that commits parties to stabilise anthropogenic GHG emissions to a level, which would prevent dangerous interference with the climate system. The UNFCCC is serviced by a Secretariat, based in Bonn.
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
WBCSD	World Business Council on Sustainable Development

