

## IETA 2017 Priorities

*Approved at Annual General Meeting, 14 November 2016*

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As nations implement action plans for the Paris Agreement, IETA will advance emissions markets that price carbon effectively.

### *1. We will improve the credibility and functionality of today's carbon markets.*

In **Europe**, IETA will support the EU emissions trading system (ETS) as the central policy instrument of the 2030 Climate and Energy package. We will highlight the importance of efficient functioning of the market, with predictable rules, greater policy coordination and appropriate measures to address ETS impacts on trade-exposed sectors. We will influence the changes of the rules for Phase 4, including issues related to the surplus, market oversight, auctioning, registries and aviation. We will form a vision on longer-term strategic issues, such as extending the scope of the ETS, investment incentives for low-carbon technologies and use of markets to meet the EU's rising ambitions.

In **North America**, IETA will advocate improvements in trading and offset systems across federal, state and provincial policies. With states, we will champion "best practices" from existing programs (e.g., WCI, RGGI, Alberta, BC) in 2016 program reviews and regulatory amendments. We will seek opportunities under the US Clean Power Plan and federal trading rule to advance multi-state regional trading systems. In Canada, we will urge provinces to better align existing trading and offset programs. We will work closely with Canada's Federal Government to achieve its climate ambitions using carbon pricing – and in close collaboration with provinces and business.

In **China**, IETA will increase its engagement with the appointment of a China Representative. We will offer support to the National Development and Reform Commission (NDRC) and other ministries as China launches a national ETS in 2017, offering our expertise on market design and operation. We will encourage a smooth transition from the seven pilots to a national system. We will urge that the national ETS be built with an eye to future international linkages, with openness to international market participants.

### *2. We will promote quality, efficiency and effectiveness in future carbon markets.*

In **emerging economies**, we will marshal the expertise of IETA members to assist new markets through the "B-PMR," our flagship business-to-business readiness initiative. The B-PMR will continue its dialogue series in China and Korea with representatives of major industries to be covered by their national ETS's. The B-PMR will be flexible to assist a variety of new pricing systems, from the emissions trading approaches in South Korea, Kazakhstan and Taiwan to the hybrid "tax and offset" programs in Mexico, South Africa and Chile.

We will launch new initiatives to cultivate markets in early stages of development. We will forge a new partnership with the Environmental Defense Fund to support the new market in development in Mexico. We will collaborate closely with the Carbon Market Institute on Australia's review of how market elements may factor into its implementation plan for the Paris Agreement. We will open a new initiative with the aviation industry, in partnership with the International Air Transport Association. We will offer training and support for the preparation of the global market-based mechanism agreed at the 2016 ICAO General Assembly.

IETA will promote effective global standards to be applied to the **measurement, reporting and verification** (MRV) of emissions and reductions from projects, programmes and policies. These technical elements are critical to linkages between market systems, offset programmes and climate financing initiatives. We will encourage the construction of necessary market **infrastructure** (e.g., standards and registries in developing countries) to enable future linkages with new carbon markets.

### *3. We will provide leadership and development opportunities for carbon crediting and offsetting.*

In voluntary markets, IETA will work through its **ICROA partners** and other groups to promote high standards of excellence in carbon offsetting through globally consistent best practices. We will promote use of the CDM, credible voluntary standards and REDD+ as effective carbon offsetting strategies. We will continue to provide thought leadership on new market opportunities.

At the international level, we recognise that carbon offsets will remain a key part of international carbon markets and pricing. IETA will support the establishment of a new sustainable development and mitigation mechanism to be operationalised before 2020. We will urge a smooth transition from the current UN flexibility mechanisms to a new crediting mechanism that is fit for the future. We will seek to advance inclusion of innovations like REDD+ and CCS-CDM.

### *4. We will promote effective linkages between carbon pricing systems over time.*

We will continue to strive towards the vision of an international carbon market. The linking of carbon pricing systems can enable business to deploy capital more efficiently, stimulating economic growth from low carbon opportunities – and enabling the achievement of greater ambitions. Effective system linkages will help establish a global pricing signal, which can ultimately support investment at a scale commensurate with the 2 °C level of climate protection.

We will lend our Members' private sector expertise to the development of international transfer systems that form the foundation for such linkages under Article 6 of the Paris Agreement. We will begin by supporting ways to expand and improve existing linkages, particularly across North America's disparate carbon pricing landscape.

### *5. We will support effective models of private sector engagement in climate finance.*

Recognizing the potential connections between climate finance and carbon pricing (particularly carbon markets), IETA will support development of international climate financing structures that will attract low-carbon private investment at scale. We will seek opportunities to enhance private sector engagement with Green Climate Fund – and to urge its support for market-oriented approaches.

### *6. We will showcase the power of markets in addressing climate change.*

We will improve our **communications** about the benefits of carbon pricing with stakeholders and the general public. We will strive for excellence in trade fairs, conferences and events.

We will work through members to provide **thought leadership** and engagement with new ideas in the carbon pricing and climate finance fields. We will help mobilize strong business coalitions that support carbon

pricing. IETA aims to steadily improve as a quality organization that attracts a growing, more influential membership base.