



# Introduction to Carbon Market

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Inaugural National Carbon Market Strategy Roadmap Consultation Workshop

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# The Major Concern

Rapid Industrial Growth

Increased energy consumption

Increased CO<sub>2</sub> and other GHG emissions

Global Warming due to increased concentration of GHG

**'Put a Price on Carbon': consistent advice by economists**

- 2018 Noble Prize Winner Economics Prof. W. Nordhaus



# Birth of the Climate Convention

- **UNFCCC**
- **Kyoto Protocol**
- **The Doha Amendment**
- **Paris Agreement**



GHG should be stabilized within a time frame.



Reduction of GHG emission by Developed countries in the First Commitment Period (2008 -2012)



Extended the Kyoto Protocol to 2020



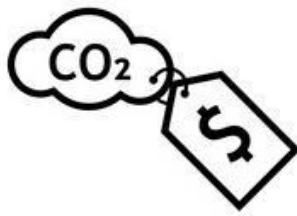
Limiting global warming to well below 2°C above pre-industrial levels, and pursuing efforts to limit the temperature increase to 1.5°C



DOHA 2012  
UN CLIMATE CHANGE CONFERENCE  
COP18 | CMP8



PARIS 2015  
CONFÉRENCE DES NATIONS UNIES  
SUR LES CHANGEMENTS CLIMATIQUES  
COP21 | CMP11

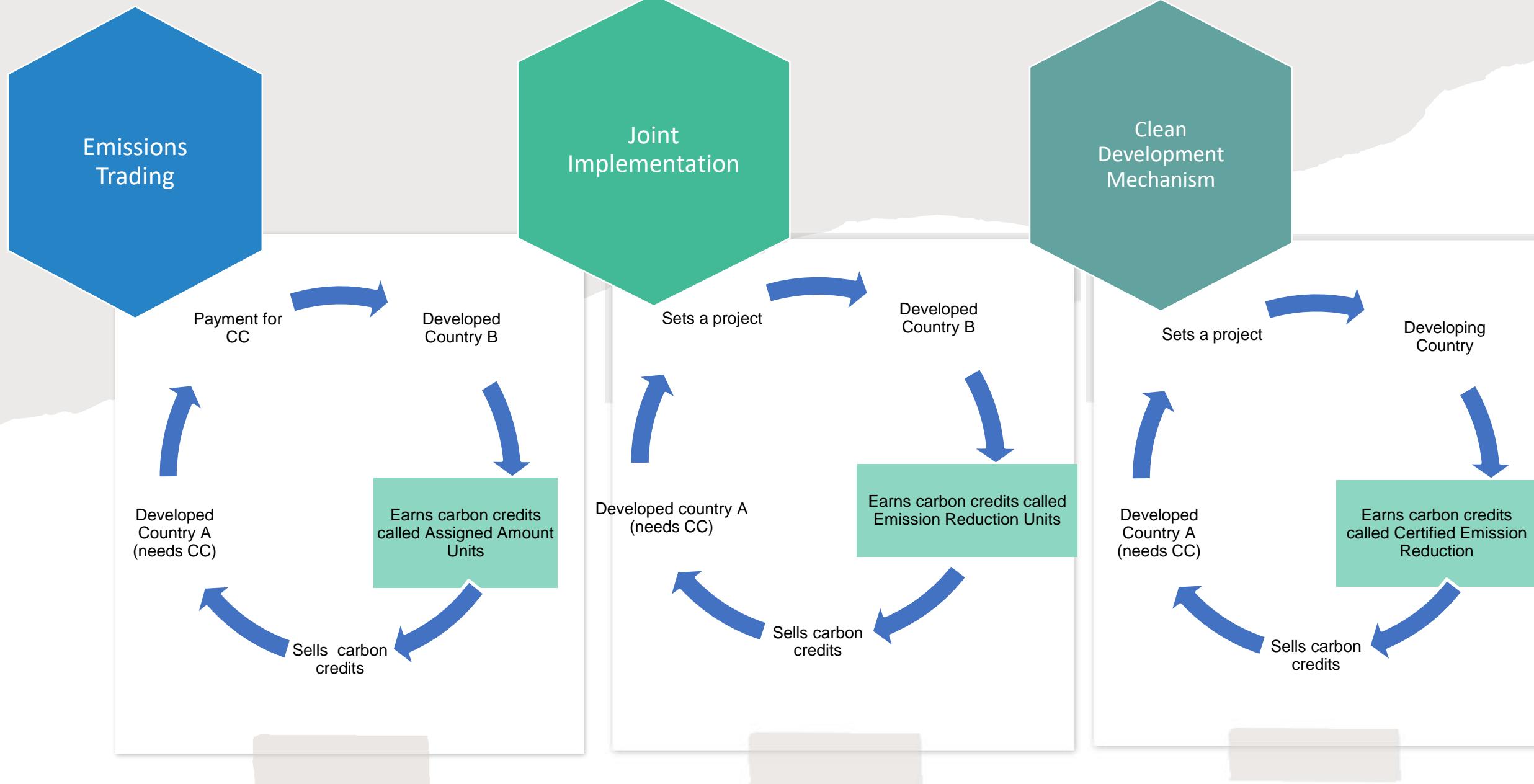


# Why Carbon Trading? Optimises Cost Efficiency

Delivers a given reduction at lowest cost

Decision to either “make or buy”

- Make investments to reduce emissions if they have a cheaper price than the allowance price
- Buy allowances from others in case it is more expensive to abate emissions



# Carbon Credits, Offsets and Markets



- Cap-Trade Program

CAP

- Allowances or credits are issued to emit a specific amount of carbon dioxide (cap) to the country.

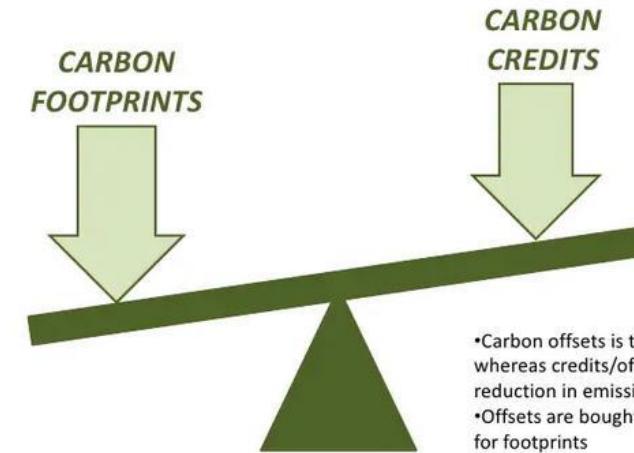
Trade

- Countries whose emissions are less than their assigned amount or the CAP can sell or TRADE the excess amount to countries whose emissions have exceeded their assigned amount.

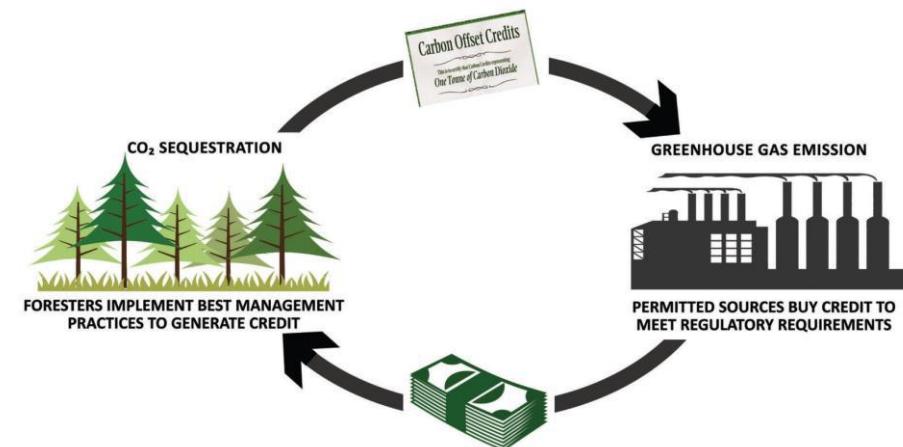
- Carbon offsets are a voluntary market

# Carbon Offsetting

- Might not be possible to eliminate all emissions entirely.
- Therefore, offsetting is seen to compensate for those emissions by investing in projects that contribute to reducing emissions in other ways.
- Individuals, organizations, or governments seek to mitigate the negative impact of their carbon emissions on the environment.

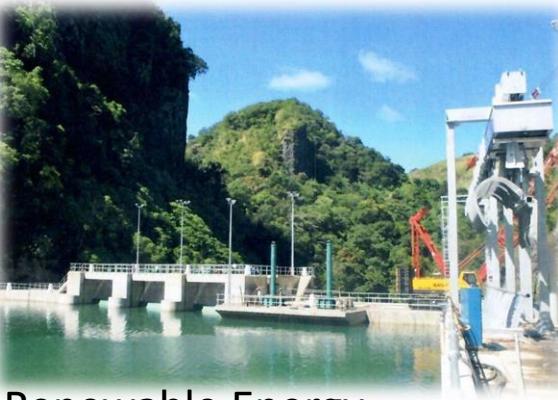


- Carbon offsets is the total emissions whereas credits/offsets is the total reduction in emissions.
- Offsets are bought to compensate for footprints



Carbon  
Offset  
Projects can  
be grouped  
into 2  
categories:

### Avoidance / Reduction Projects



Renewable Energy



Methane Flaring

### Removal/ Sequestration Projects

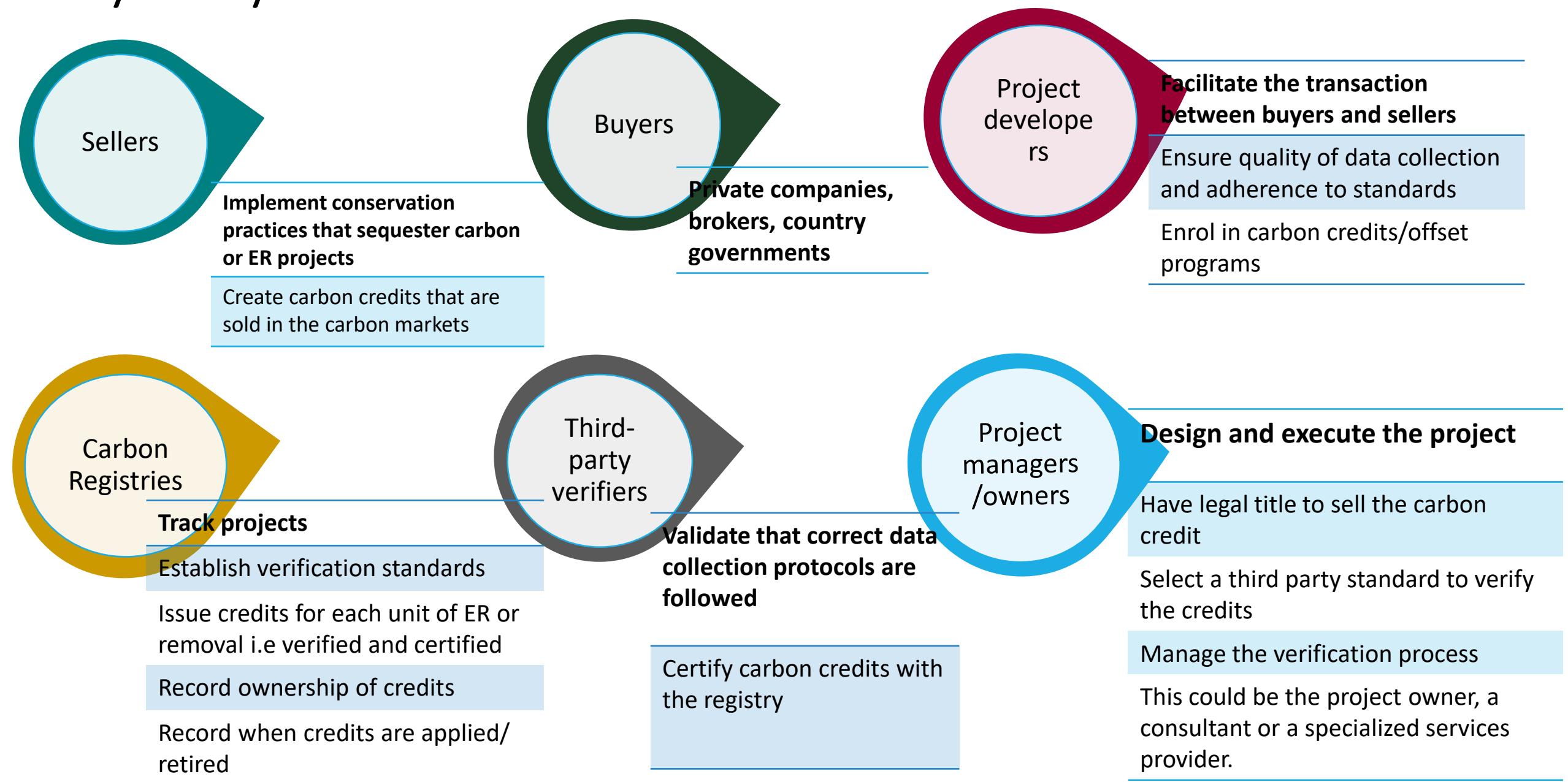


Reforestation



Mangrove planting

# Key Players



# How to generate Carbon Credits?

- Energy production from renewables, wastes and low carbon intensive fuels
- Energy Efficiency measures like waste heat recovery
- Installation of energy efficient equipment
- Switch over to less GHG emitting production processes.
- Agriculture, Afforestation and Reforestation.



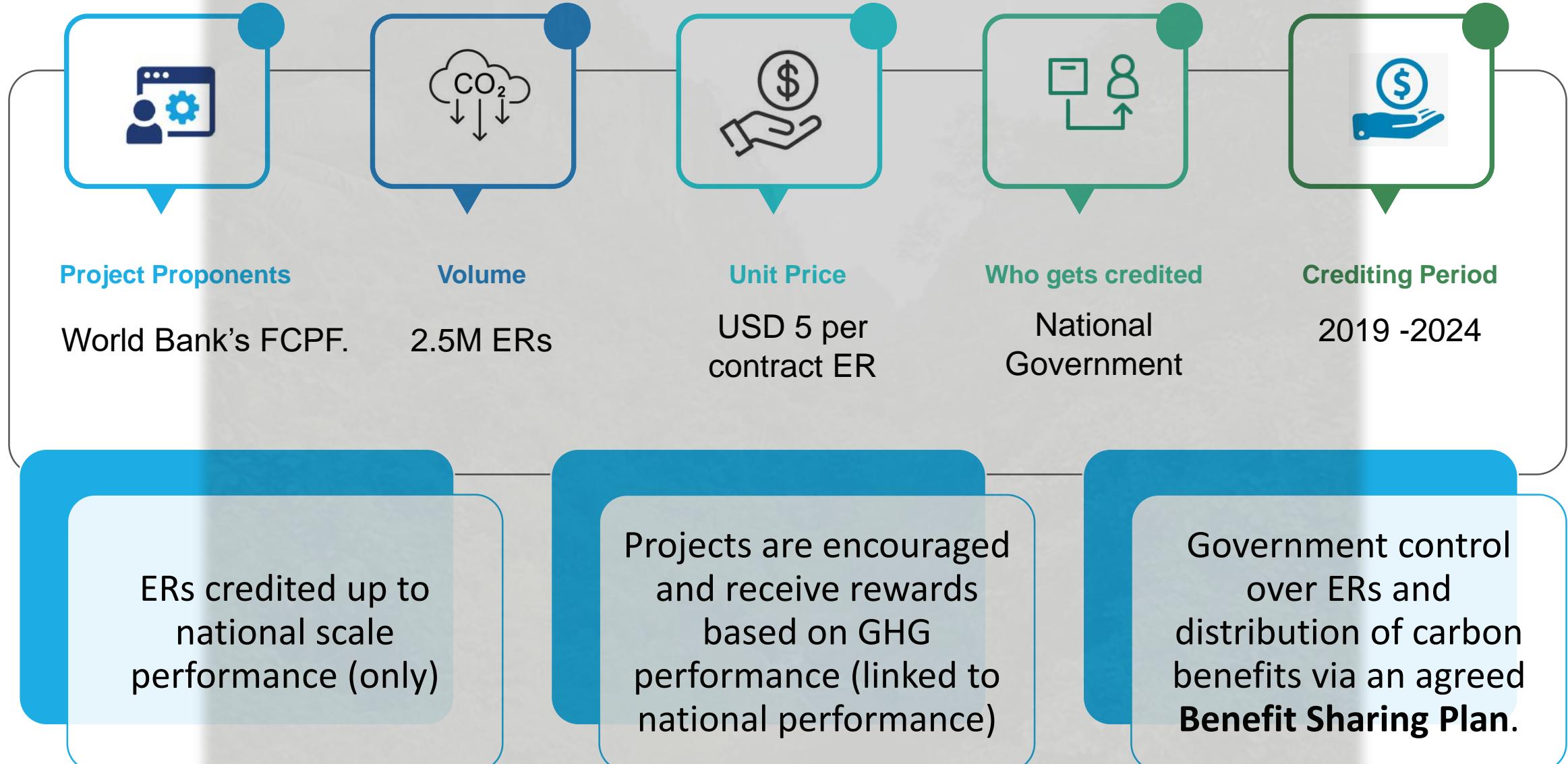
Investments in carbon reduction projects

# Fiji and Carbon Markets

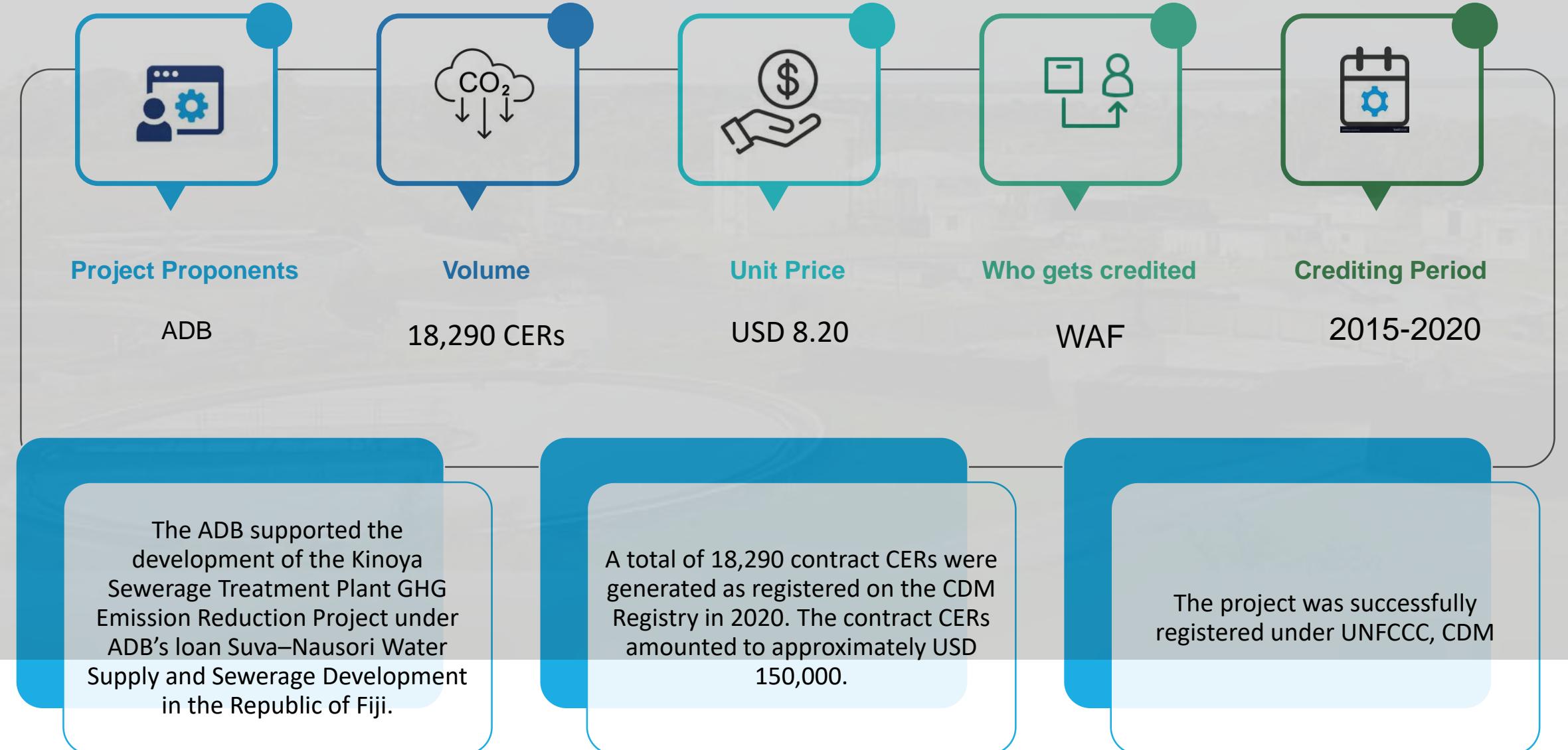
- Fiji REDD+
- Kinoya-based Gas Flare Project
- Improved Cook Stove Programme for Fiji
- The Nakau Programme in Drawa



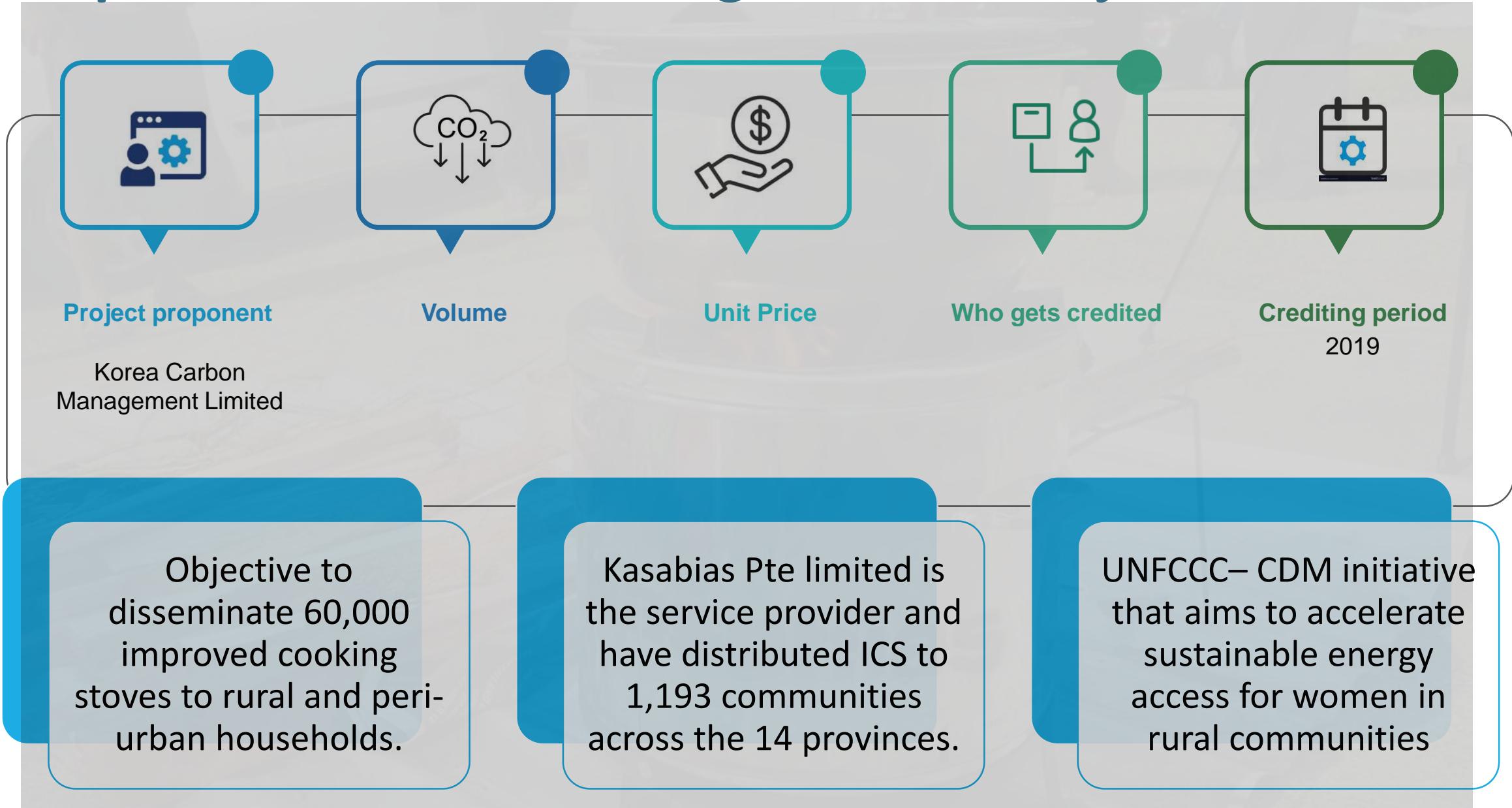
# Fiji REDD+ Programme



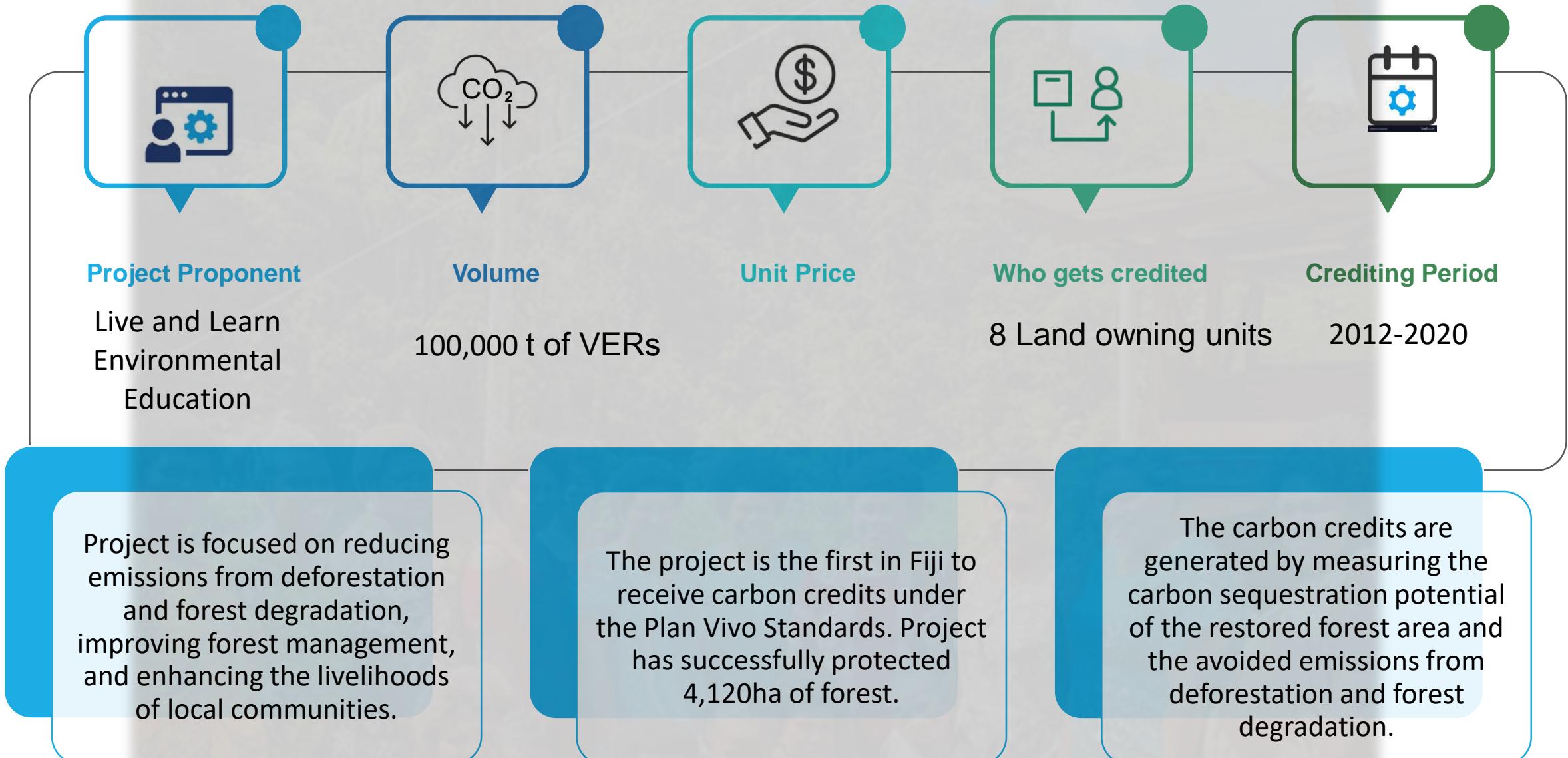
# Kinoya-based Gas Flare Project



# Improved Cook Stove Programme for Fiji



# The Nakau Programme in Drawa





Vinaka, Thank you