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The Carbon Markets and Investors Association (CMIA) is an international trade association representing companies that finance, build, and support emission reduction projects across five continents, as well as service providers to liable entities under cap-and-trade schemes. Formed to represent businesses working to reduce carbon emissions through the market mechanisms of the United Nations Framework Convention on Climate Change (UNFCCC) and Kyoto Protocol, CMIA's international membership accounts for an estimated 75 per cent of the global carbon market, valued at USD 100 billion in 2008.

CMIA commends the initiatives formulated in the Conclusions of the European Union 2968th Environment Council Meeting, released 21 October 2009. In particular:

### **Paragraph 33**

- As an indication of support for the inclusion of forestry in a Copenhagen agreement.
- As such, we draw the conclusion that in the advent of agreement between developed and developing countries to creating robust governance, monitoring, reporting, and verification structures, the EU will be supportive of addressing the rapid rates of deforestation by way of a market mechanism. Public financing must be provided for capacity-building, while the participation of private investors via a market mechanism will add scale and speed to global efforts.

### **Paragraphs 42 and 44**

- As a clear recognition of the importance of the Clean Development Mechanism (CDM) in providing a means for sustainable development, contributing to global emissions reduction goals, and involving developing countries in the transition to a low-carbon global economy.
- As a strong indication of support for a continued CDM, as well as commitment to safeguarding existing investments in the Mechanism in order to preserve investor confidence and "trust" in carbon market instruments by ensuring continued support and a smooth transition. As such, we draw the conclusion that an arbitrary cut-off date for investments will not be supported by the EU.
- As an initiative recognizing the need to provide investors with a clear timeline for new mechanisms, by way of setting an indicative timeline for operational specifics to be established by COP16.
- As a commitment to reforming the CDM to provide and allow for increased geographic distribution, enhanced governance, preserved environmental integrity, and scaling-up via the institution of benchmarks, among other reform measures.

**CMIA has expressed, both clearly and often, concern that CDM reform has been lost amongst other pressing issues.** We have highlighted the importance of continued support for functioning mechanisms, the importance of preserving existing investments, and called for unequivocal support for CDM reform pre-2012 and post-2012.

**We hope that the recognition of the importance of investor confidence in policy-mandated mechanisms continues, and is endorsed by the European Council meetings over the next two days.**

**Finally, we urge direct and increased attention to these important questions in the coming weeks, and particularly on the part of negotiating Parties as UNFCCC Consultations continue in Barcelona.**

ENDS

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