

The Copenhagen Prediction Market (COPPM)

PROSPECTUS

Overview

During the Copenhagen Climate Conference (Conference of the Parties, COP15) the Centre for Energy and Environmental Markets (CEEM) at the University of New South Wales, with prizes sponsored by Baker & McKenzie, will operate a Prediction Market on the outcomes of the Conference.

The Copenhagen Prediction Market

The Copenhagen Prediction Market (**COPPM**) is a Prediction Market conducted by CEEM for research purposes. The goal of the COPPM is to forecast the outcomes of the Copenhagen Climate Conference. Experimental dollars (E\$), rather than real money, are used in the trading. There are 16 separate markets dealing with different outcomes. Each Participant can, but need not, participate in all of the markets. The three Participants who accumulate the largest final portfolio value (final value of shares plus experimental dollar holdings) for each market will be awarded a prize. The final portfolio values will be determined by the announced outcomes of the Copenhagen Conference.

Prizes

The three Participants with the highest portfolio values (final value of shares plus experimental dollar holdings) in each market will be eligible for a prize. On behalf of the winners, Baker & McKenzie will offset, using Gold Standard Certified Emissions Reductions (CERs), personal emissions equivalent to the following:

First prize - twelve months

Second prize - four months

Third prize - two months

Calculations will be based upon the world annual average per capita emissions. Winners will receive a certificate which states the offset amount (tonnes of CO₂e cancelled).

ADMINISTRATION OF THE COPPM

CEEM is operating the COPPM. The judgement of the Organisers is final in deciding all questions of clarity or typographical errors. The Organisers will be assisted by a panel of independent experts.

ESTABLISHMENT OF A COPPM TRADING ACCOUNT

Please see the Participation Information on www.coppm.org for instructions on how to enrol in this study and obtain an account on the online trading platform.

Upon enrolment, you will be given an experimental cash position of E\$5,000 and 50 “market bundles” (see below) in each of the 16 markets. The dollar values used in this market are Experimental dollars (E\$) and do not represent any real money or a promise of monetary gain or loss.

Each market is separate. Neither shares nor money can be transferred between markets.

TRADING ON THE COPPM

Step-by-step instructions for trading on the COPPM can be found on the COPPM online trading platform.

MARKET ACTIONS

Once you enter the market, you can undertake the following actions: Place a bid (an offer to buy), place an ask (an offer to sell), delete an outstanding bid or ask, buy bundles from the bank and sell bundles to the bank.

Placing a buy offer (bid)

A buy offer is an offer to buy in the form: "I bid E\$88 per unit for 8 units in 'the deadline set for achievement of a legally binding agreement is COP16' and this bid will expire in 3 hours."

Thus, a buy offer specifies a share name, a price, a number of units and, optionally, an expiration time. Buy offer prices must be integers and at least E\$1. The number of units in a buy offer must be a positive integer.

A buy offer will result in an immediate trade only if another Participant has previously submitted an offer to sell the same share at the same price or a lower price. Otherwise, the buy offer is placed in a queue to await acceptance by a seller.

The 5 buy offers with the highest prices will be shown on the market screen. The buy offer with the highest price of all buy offers, will be listed directly to the right of the last trading price.

The shares will be bought if your offer is the first one in the buy queue and the price of your offer is higher or equal to the first offer in the queue for the sell offers.

- If the prices of the buy and sell offers are equal, the trade will be executed at this price.
- If the price of the buy offer is higher than the price of the corresponding sell offer, the purchase will be executed at the price of the sell offer. (**Example:** Your just submitted buy offer has the price E\$26 and the currently lowest sell offer has the price of E\$21. The trade will take place at the price of E\$21. Basically, the price of the trade is determined by the older offer.)

The quantity of the buy offer may be higher than the quantity of the corresponding sell offer. In this case, the buy offer will be partially executed. This means, that the number of shares specified by the sell offer will be purchased at the price of the sell offer. The remainder of the buy offer will expire.

Placing a sell offer (ask)

A typical example for a sell offer is "I offer to sell 4 shares of 'the deadline set for achievement of a legally binding agreement is COP16' for E\$54 per unit and this offer will expire in 5 hours."

Thus, a sell offer specifies the share, a price, a number of units and, optionally, an expiration time. Sell offer prices must be integers and at least E\$1. The number of units in a sell offer must be a positive integer.

A sell offer will result in an immediate trade only if another Participant has previously submitted an offer to buy the same share at the same price or a higher price. Otherwise, the sell offer is placed in a queue to await acceptance by a buyer.

The 5 sell offers with the lowest prices will be posted on the market screen. The sell offer with the lowest price of all sell offers will be listed directly to the left of the price at which the last trade occurred.

The shares will be sold if your sell offer is the first one in the sell offer queue and the price is lower than or equal to the first offer in the buy offer queue.

- If the prices of the buy and sell offers are equal, the trade will be executed at this price.
- If the price of the sell offer is lower than the price of the corresponding buy offer, the trade will be executed at the price of the buy offer. (**Example:** Your just submitted sell offer has the price E\$59 and the currently highest buy offer has the price of E\$63. The trade will take place at the price of E\$63. Basically, the price of the trade is determined by the older offer.)

The quantity of the sell offer may be higher than the quantity of the corresponding buy offer. In this case, the sell offer will be partially executed. The quantity of shares specified by the buy offer will be traded at the buy offer price. The remainder of the sell offer will expire.

INVALID ORDERS

An order will be deemed invalid if the Participant submitting it does not have sufficient experimental cash or shares on hand to fulfil it.

ORDER BOOK

The online order book contains unfilled buy and sell offers. Buy and sell offers are placed in the "buy offer queue" and the "sell offer queue" respectively. Each queue is ordered according to price and time of submission of the offers; if two or more offers at the same price appear in a queue, they are entered by time with older offers appearing before more recent offers. The prices and quantities displayed when you log into the market are the buy offers with the 5 highest prices and the sell offers with the 5 lowest prices. In the center you see the price at which the last trade occurred. If there been no trade yet, you will see "-".

Offers remain in the queues until they are deleted by the Participant who issued them, they expire or they are accepted by another Participant and result in a trade.

FREQUENCY OF MARKET CLEARING

New offers will be cleared instantaneously, on a "first-submitted, first-processed" basis. Clearing may take a little longer if the trading volume is heavy.

MARKET BUNDLES

A “**market bundle**” is a bundle of shares consisting of one unit of each of the shares in the market. For example, a market bundle in Market 1 consists of one share each of COP15, COP15bis, COP16, COP16+ and COP-NA.

By definition a market bundle is worth E\$100. This is because at the close of the market only one share in the market portfolio will be worth E\$100 and all others will be worth E\$0. Thus, there is no difference between holding E\$100 cash and a market bundle. A market bundle can always be exchanged for E\$100 without placing an order; a market bundle can always be sold for E\$100 cash or be bought for E\$100 cash.

ARBITRAGE OPPORTUNITIES WITHIN THE COPPM

Very simple arbitrage opportunities exist within the COPPM. Consider the following scenarios:

- The sum of the market prices of all shares in a market is greater than E\$100. To exploit this opportunity, a Participant could exchange E\$100 for a market bundle, sell the market bundle to the order book, and earn the difference.
- The sum of the market prices of all shares is less than E\$100. To exploit this opportunity, a Participant could purchase one unit of share type (a market bundle) from the order book, exchange it for E\$100, and earn the difference.

Exploitation of these arbitrage opportunities will tend to move the sum of market prices back towards E\$100, which is the value of a market bundle.

SHORT POSITIONS

Short positions (*i.e.*, borrowing) in shares or cash are not possible on the COPPM.

DETERMINATION OF FINAL SHARE VALUES

The final values of shares will be indeterminate until the announcement of the outcome of the Copenhagen Conference. The final outcomes may be part of a high level political communiqué, a new or amended legal instrument or decisions taken by the COP and COP/CMP. An independent expert panel selected by the Organisers will decide on the outcome for those markets where more than one possible interpretation exists. For those markets where there is no outcome or an outcome not covered by the market, the winners of the market will be determined by random lottery.

CLOSE OF TRADING

The COPPM will remain open until the closing of the final plenary session for COP15. At that time, trading will be permanently suspended, and all accounts will be frozen. The final portfolio values of each Participant indicated by “user names” will be made public.

The final portfolio values in each market will be computed after the COP and COP/CMP decisions have been adopted. The prize winners will then be contacted by Baker & McKenzie to arrange sending their prize.

COMMUNICATION BETWEEN THE ORGANISERS AND THE PARTICIPANTS

The primary mode of communication between the Organisers and the Participants is via e-mail.

Participants will be required to submit a valid email address as part of the enrolment process (if you are a COP15 participant, please use the same email address as you used for your registration to COP15).

The three main contact points are as follows:

- CEEM stall at the Conference in Hall H¹
- info@coppm.org
- For ethical complaints about the research project: Ethics Secretariat of the University of New South Wales: ethics.sec@unsw.edu.au (see also: Participation Information on www.coppm.org)

SUPPLEMENTARY DOCUMENTS

The Participation Information (see www.coppm.org) contains information about the objectives of the COPPM research project and the associated risks of participating.

CONFIDENTIALITY OF COLLECTED DATA

Data will be collected in accordance with the COPPM Terms of Use and UNSW Privacy Policy (see <http://www.privacy.unsw.edu.au/>). The Organisers will exert all due care to ensure that data collected from Participants remains confidential. In the event of a breach of confidentiality, the Participants will be notified immediately. Participants' data are stored on the online trading platform while the market is open for trading. After the close of trading, data will be removed from the online trading platform and retained by the Organisers for research purposes. Any data made public (*e.g.*, through scientific publications or presentations) will be anonymized in a manner that makes deduction of a Participant's name from the data very difficult. Personally-identifying information (*e.g.*, a Participant's name) will never be made public. Only usernames will be made public on the website in order to show the rankings of final portfolio values in each market.

Any data submitted by a Participant will be used solely for effecting trades and for scientific interpretation. Data will not be used by the Organisers for any commercial purpose, nor will data be given to a third party for any commercial purpose.

Markets of THE COPPM

The COPPM has 16 markets related to possible outcomes of the Copenhagen Conference. The outcomes may be part of a high level political communiqué, a new or amended legal instrument or decisions taken by the COP and COP/CMP. The shares available in each market are listed below.²

Market 1: Deadline set for achieving a legally binding agreement

Share Code	Share Description
COP15	The final value of the share is <ul style="list-style-type: none">• E\$100 if a legally binding agreement is achieved at COP15• E\$0 otherwise.
COP15bis	The final value of the share is <ul style="list-style-type: none">• E\$100 if the deadline set for achieving a legally binding agreement is at a COP15-bis

¹ Exact location not published upon completion of this Prospectus, please refer to Side Events and Exhibits brochure on the UNFCCC website.

² There may be minor differences between the final shares traded on the COPPM and the ones announced in this prospectus. Please refer to the market descriptions on www.coppm.org for final shares traded on each market.

	conference
	<ul style="list-style-type: none"> ● E\$0 otherwise.
COP16	<p>The final value of the share is</p> <ul style="list-style-type: none"> ● E\$100 if the deadline set for achieving a legally binding agreement is at COP16. ● E\$0 otherwise.
COP16+	<p>The final value of the share is</p> <ul style="list-style-type: none"> ● E\$100 if the deadline set for achieving a legally binding agreement is after the COP16 conference. ● E\$0 otherwise.
COP-NA	<p>The final value of the share is</p> <ul style="list-style-type: none"> ● E\$100 if the deadline set for achieving a legally binding agreement is not stated. ● E\$0 otherwise.

Market 2: The long-term stabilization goal in degrees Centigrade of warming and/or parts-per-million of CO₂ concentration.

Share Code	Share Description
LONG350-1.5	<p>The final value of the share is</p> <ul style="list-style-type: none"> ● E\$100 if the long-term stabilization goal is equal to or less than 350ppm and/or equal to or less than 1.5°C. ● E\$0 otherwise.
LONG351-1.6	<p>The final value of the share is</p> <ul style="list-style-type: none"> ● E\$100 if the long-term stabilization goal is greater than 350ppm and/or greater than 1.5°C, but less than 450ppm and/or less than 2°C ● E\$0 otherwise.
LONG450-2	<p>The final value of the share is</p> <ul style="list-style-type: none"> ● E\$100 if the long-term stabilization goal is equal to or greater than 450ppm and/or equal to or greater than 2°C. ● E\$0 otherwise.
LONG-NA	<p>The final value of the share is</p> <ul style="list-style-type: none"> ● E\$100 if a long-term stabilization goal is not stated. ● E\$0 otherwise.

Market 3: Average annual funding committed by developed country governments to support climate change action (including mitigation and adaptation) in developing countries for the period 2010 through 2012.³

Share Code	Share Description
FIN4	<p>The final value of the share is</p> <ul style="list-style-type: none"> ● E\$100 if the average annual funding committed for 2010 through 2012 is less than US\$ 5,000,000,000 (5 billion). ● E\$0 otherwise.
FIN59	<p>The final value of the share is</p> <ul style="list-style-type: none"> ● E\$100 if the average annual funding committed for 2010 through 2012 is at least US\$ 5 billion but less than US\$ 10 billion. ● E\$0 otherwise.
FIN1014	<p>The final value of the share is</p> <ul style="list-style-type: none"> ● E\$100 if the average annual funding committed for 2010 through 2012 is at least US\$ 10 billion but less than US\$ 15 billion. ● E\$0 otherwise.
FIN15	<p>The final value of the share is</p> <ul style="list-style-type: none"> ● E\$100 if the average annual funding committed for 2010 through 2012 is at least US\$ 15 billion. ● E\$0 otherwise.
FIN-NA	<p>The final value of the share is</p> <ul style="list-style-type: none"> ● E\$100 if the average annual funding committed for 2010 through 2012 is not stated ● E\$0 otherwise.

³ This will be based on the figures in the relevant COP or COP/CMP decisions which may include funds previously announced by governments.

Market 4: Aggregate 2020 reduction target for developed nations (Annex I or equivalent, including the US) (1990 base year).⁴

Share Code	Share Description
RTD9	The final value of the share is <ul style="list-style-type: none"> ● E\$100 if the agreed-upon aggregate 2020 reduction target is less than 10%. ● E\$0 otherwise.
RTD1014	The final value of the share is <ul style="list-style-type: none"> ● E\$100 if the agreed-upon aggregate 2020 reduction target is at least 10% but less than 15%. ● E\$0 otherwise.
RTD1519	The final value of the share is <ul style="list-style-type: none"> ● E\$100 if the agreed-upon aggregate 2020 reduction target is at least 15% but less than 20%. ● E\$0 otherwise.
RTD2024	The final value of the share is <ul style="list-style-type: none"> ● E\$100 if the agreed-upon aggregate 2020 reduction target is at least 20% but less than 25%. ● E\$0 otherwise.
RTD25	The final value of the share is <ul style="list-style-type: none"> ● E\$100 if the agreed-upon aggregate 2020 reduction target is at least 25%. ● E\$0 otherwise.

Market 5: The design of the mechanism for Reducing Emissions from Deforestation in Developing countries (REDD)

Share Code	Share Description
REDD-PUB	The final value of the share is <ul style="list-style-type: none"> ● E\$100 if the design of the REDD mechanism includes public funding only ● E\$0 otherwise.
REDD-MIX	The final value of the share is <ul style="list-style-type: none"> ● E\$100 if the design of the REDD mechanism includes a mix of public funding and a market based mechanism to generate credits. ● E\$0 otherwise.
REDD-NA	The final value of the share is <ul style="list-style-type: none"> ● E\$100 if the design of the funding approach for the REDD mechanism is not stated. ● E\$0 otherwise.

Market 6: Over-the-counter (OTC) price issued Certified Emissions Reductions (CERs) reach after Copenhagen Conference (Monday 21st of December at 5pm Copenhagen time, as announced on www.pointcarbon.com)

Share Code	Share Description
CER11	The final value of the share is <ul style="list-style-type: none"> ● E\$100 if the CER price is less than 11€ /CER ● E\$0 otherwise.
CER1112	The final value of the share is <ul style="list-style-type: none"> ● E\$100 if the CER price is at least 11€ but less than 12€ /CER ● E\$0 otherwise.
CER1213	The final value of the share is <ul style="list-style-type: none"> ● E\$100 if the CER price is at least 12€ but less than 13€ /CER ● E\$0 otherwise.
CER1314	The final value of the share is <ul style="list-style-type: none"> ● E\$100 if CER price is at least 13€ but less than 14€ /CER ● E\$0 otherwise.

⁴ If the base years between the prediction-market share and the decision of the COP plenary differ, the plenary decision will be converted to a 1990 base year using UNFCCC conversion rates and data. If a range is given in the decision, the upper end of the range will be used. The target may be conditional on future developments, such as dependent on legislation.

CER14	The final value of the share is <ul style="list-style-type: none"> • E\$100 if CER price is at least 14€ /CER • E\$0 otherwise.
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Market 7: Sectoral Crediting included in the Copenhagen outcome⁵

Share Code	Share Description
SEC-YES	The final value of the share is <ul style="list-style-type: none"> • E\$100 if Sectoral Crediting is included in a new agreement • E\$0 otherwise.
SEC-NO	The final value of the share is <ul style="list-style-type: none"> • E\$100 if Sectoral Crediting is not included in a new agreement • E\$0 otherwise.

Market 8: 2020 reduction target for Australia (AU) (1990 base year).⁶

Share Code	Share Description
AU9	The final value of the share is <ul style="list-style-type: none"> • E\$100 if the agreed-upon aggregate 2020 reduction target is less than 10%. • E\$0 otherwise.
AU1014	The final value of the share is <ul style="list-style-type: none"> • E\$100 if the agreed-upon aggregate 2020 reduction target is at least 10% but less than 15%. • E\$0 otherwise.
AU1519	The final value of the share is <ul style="list-style-type: none"> • E\$100 if the agreed-upon aggregate 2020 reduction target is at least 15% but less than 20%. • E\$0 otherwise.
AU2024	The final value of the share is <ul style="list-style-type: none"> • E\$100 if the agreed-upon aggregate 2020 reduction target is at least 20% but less than 25%. • E\$0 otherwise.
AU25	The final value of the share is <ul style="list-style-type: none"> • E\$100 if the agreed-upon aggregate 2020 reduction target is at least 25%. • E\$0 otherwise.

Market 9: 2020 reduction target for the EU27 (EU) (1990 base year).⁷

Share Code	Share Description
EU19	The final value of the share is <ul style="list-style-type: none"> • E\$100 if the agreed-upon aggregate 2020 reduction target is less than 20%. • E\$0 otherwise.
EU2024	The final value of the share is <ul style="list-style-type: none"> • E\$100 if the agreed-upon aggregate 2020 reduction target is at least 20% but less than 25%. • E\$0 otherwise.
EU2529	The final value of the share is <ul style="list-style-type: none"> • E\$100 if the agreed-upon aggregate 2020 reduction target is at least 25% but less than

⁵ Sectoral crediting means that international compliance units can be earned by a developing country if the aggregate emissions by sources in a specified sector are lower than a **negotiated** baseline or target approved by the COP or COP/CMP. This differs from a baseline or target proposed by Participants and approved by a body such as the CDM Executive Board.

⁶ If the base years between the prediction-market share and the decision of the COP plenary differ, the plenary decision will be converted to a 1990 base year using UNFCCC conversion rates and data. If a range is given in the decision, the upper end of the range will be used. The target may be conditional on future developments, such as dependent on legislation.

⁷ If the base years between the prediction-market share and the decision of the COP plenary differ, the plenary decision will be converted to a 1990 base year using UNFCCC conversion rates and data. If a range is given in the decision, the upper end of the range will be used. The target may be conditional on future developments, such as dependent on legislation.

	30%.
	<ul style="list-style-type: none"> • E\$0 otherwise.
EU3034	The final value of the share is <ul style="list-style-type: none"> • E\$100 if the agreed-upon aggregate 2020 reduction target is at least 30% but less than 35%. • E\$0 otherwise.
EU35	The final value of the share is <ul style="list-style-type: none"> • E\$100 if the agreed-upon aggregate 2020 reduction target is at least 35%. • E\$0 otherwise.

Market 10: 2020 reduction target for the Japan (JP) (1990 base year).⁸

Share Code	Share Description
JP14	The final value of the share is <ul style="list-style-type: none"> • E\$100 if the agreed-upon aggregate 2020 reduction target is less than 15%. • E\$0 otherwise.
JP1519	The final value of the share is <ul style="list-style-type: none"> • E\$100 if the agreed-upon aggregate 2020 reduction target is at least 15% but less than 20%. • E\$0 otherwise.
JP2024	The final value of the share is <ul style="list-style-type: none"> • E\$100 if the agreed-upon aggregate 2020 reduction target is at least 20% but less than 25%. • E\$0 otherwise.
JP2529	The final value of the share is <ul style="list-style-type: none"> • E\$100 if the agreed-upon aggregate 2020 reduction target is at least 25% but less than 30%. • E\$0 otherwise.
JP30	The final value of the share is <ul style="list-style-type: none"> • E\$100 if the agreed-upon aggregate 2020 reduction target is at least 30%. • E\$0 otherwise.

Market 11: 2020 reduction target for Russia (RU) (1990 base year)⁹

Share Code	Share Description
RU14	The final value of the share is <ul style="list-style-type: none"> • E\$100 if the agreed-upon aggregate 2020 reduction target is less than 15%. • E\$0 otherwise.
RU1519	The final value of the share is <ul style="list-style-type: none"> • E\$100 if the agreed-upon aggregate 2020 reduction target is at least 15% but less than 20%. • E\$0 otherwise.
RU2024	The final value of the share is <ul style="list-style-type: none"> • E\$100 if the agreed-upon aggregate 2020 reduction target is at least 20% but less than 25%. • E\$0 otherwise.
RU2529	The final value of the share is <ul style="list-style-type: none"> • E\$100 if the agreed-upon aggregate 2020 reduction target is at least 25% but less than 30%. • E\$0 otherwise.
RU30	The final value of the share is <ul style="list-style-type: none"> • E\$100 if the agreed-upon aggregate 2020 reduction target is at least 30%.

⁸ If the base years between the prediction-market share and the decision of the COP plenary differ, the plenary decision will be converted to a 1990 base year using UNFCCC conversion rates and data. If a range is given in the decision, the upper end of the range will be used. The target may be conditional on future developments, such as dependent on legislation.

⁹ If the base years between the prediction-market share and the decision of the COP plenary differ, the plenary decision will be converted to a 1990 base year using UNFCCC conversion rates and data. If a range is given in the decision, the upper end of the range will be used. The target may be conditional on future developments, such as dependent on legislation.

- E\$0 otherwise.

Market 12: 2020 reduction target for the United States (US) (1990 base year).¹⁰

Share Code	Share Description
US0	The final value of the share is <ul style="list-style-type: none"> • E\$100 if the agreed-upon aggregate 2020 reduction target is less than 0%. • E\$0 otherwise.
US04	The final value of the share is <ul style="list-style-type: none"> • E\$100 if the agreed-upon aggregate 2020 reduction target is at least 0% but less than 5%. • E\$0 otherwise.
US59	The final value of the share is <ul style="list-style-type: none"> • E\$100 if the agreed-upon aggregate 2020 reduction target is at least 5% but less than 10%. • E\$0 otherwise.
US1014	The final value of the share is <ul style="list-style-type: none"> • E\$100 if the agreed-upon aggregate 2020 reduction target is at least 10% but less than 15%. • E\$0 otherwise.
US15	The final value of the share is <ul style="list-style-type: none"> • E\$100 if the agreed-upon aggregate 2020 reduction target is at least 15%. • E\$0 otherwise.

Market 13: China (CN) agrees to some type of binding climate action commitment (e.g. intensity target)

Share Code	Share Description
CN-YES	The final value of the share is <ul style="list-style-type: none"> • E\$100 if China agrees to some type of binding climate action commitment. • E\$0 otherwise.
CN-NO	The final value of the share is <ul style="list-style-type: none"> • E\$100 if China does not agree to some type of binding climate action commitment • E\$0 otherwise.

Market 14: India (IN) agrees to some type of binding climate action commitment (e.g. intensity target)

Share Code	Share Description
IN-YES	The final value of the share is <ul style="list-style-type: none"> • E\$100 if India agrees to some type of binding climate action commitment • E\$0 otherwise.
IN-NO	The final value of the share is <ul style="list-style-type: none"> • E\$100 if India does not agree to some type of binding climate action commitment • E\$0 otherwise.

Market 15: Institution of Adaptation Funding

Share Code	Share Description
IF1	The final value of the share is <ul style="list-style-type: none"> • E\$100 if the existing Adaptation Fund (AF) is the only source of adaptation funding • E\$0 otherwise.
IF2	The final value of the share is <ul style="list-style-type: none"> • E\$100 if there is a New Adaptation Fund under the Convention (including moving the existing AF under the jurisdiction of the Convention; the new fund could be an adaptation window of a new fund under the Convention) • E\$0 otherwise.

¹⁰ If the base years between the prediction-market share and the decision of the COP plenary differ, the plenary decision will be converted to a 1990 base year using UNFCCC conversion rates and data. If a range is given in the decision, the upper end of the range will be used. The target may be conditional on future developments, such as dependent on legislation.

- IF3 The final value of the share is
- ES\$100 if there is both use of the existing AF and a new Adaptation Fund under the Convention.
 - ES\$0 otherwise.

Market 16: Mechanism for technology cooperation

Share Code	Share Description
TT1	The final value of the share is <ul style="list-style-type: none"> ● ES\$100 if financial support is provided for a network of regional technology centres ● ES\$0 otherwise.
TT2	The final value of the share is <ul style="list-style-type: none"> ● ES\$100 if financial support is provided for technology R&D in developing countries¹¹ ● ES\$0 otherwise.
TT3	The final value of the share is <ul style="list-style-type: none"> ● ES\$100 if financial support is provided for technology transfer to developing countries through technology action plans, a technology fund, or a technology window of a new fund as distinct from mitigation mechanisms such as Clean Development Mechanism (CDM) and Nationally Appropriate Mitigation Measures (NAMAs). ● ES\$0 otherwise.
TT4	The final value of the share is <ul style="list-style-type: none"> ● ES\$100 if <i>All</i> of the above ● ES\$0 otherwise.
TT5	The final value of the share is <ul style="list-style-type: none"> ● ES\$100 if <i>None</i> of the above – no decision on technology transfer financing ● ES\$0 otherwise.

Market 17: Loopholes

Share Code	Share Description
K_HOT	The final value of the share is <ul style="list-style-type: none"> ● ES\$100 if only hot air of the Kyoto Protocol is bankable; taking away around 6 percentage points from aggregate developed nation reduction targets ● ES\$0 otherwise.
C_HOT	The final value of the share is <ul style="list-style-type: none"> ● ES\$100 if only Copenhagen hot air is created e.g. targets for Ukraine, Russia etc. remain above Business as usual for 2013-2020; taking away around 5 percentage points from aggregate developed nation reduction targets ● ES\$0 otherwise.
LULUCF	The final value of the share is <ul style="list-style-type: none"> ● ES\$100 if only allowing for creative land-use, land-use change and forestry (LULUCF) accounting ;¹² taking away around 5 percentage points from aggregate developed nation reduction targets. ● ES\$0 otherwise.
KHOT+LU	The final value of the share is <ul style="list-style-type: none"> ● ES\$100 if Kyoto hot air and LULUCF loopholes taking away around 11 percentage points from aggregate developed nation reduction targets ● ES\$0 otherwise.
CHOT+LU	The final value of the share is <ul style="list-style-type: none"> ● ES\$100 if Copenhagen hot air and LULUCF loopholes; taking away around 10 percentage points from aggregate developed nation reduction targets ● ES\$0 otherwise.
NOLOOP	The final value of the share is <ul style="list-style-type: none"> ● ES\$100 if <i>None</i> of the above – all loopholes eliminated ● ES\$0 otherwise.

¹¹ Funding for individual countries as distinct from the regional centers as under TT1.

¹² This could take place in two ways: 1) generating wind-fall credits by deflating the baseline for forest management (Art. 3.4 KP) and accounting those against the target 2) decrease in sink size against historical levels and “hiding” these emissions.