

[CLS] In fact, taxation may have much to offer and even be a more desirable instrument than trading. Examples are: “ feed in ” tariff systems to stimulate decentralized power generation, insurance or guarantee systems to cover policy and economic risks, social impact bonds related to climate and agriculture, tax credits ( on investment, production ), sectoral crediting mechanisms for reductions beyond a certain baseline, credits related to NAMAs ( nationally appropriate mitigation action ), “ suppressed demand ” and “ blue carbon storage ” extensions of clean development mechanisms ( CDMs ). Countries may find certain types of instruments to be more or less compatible with prevailing political and / or sociocultural conditions, new instruments sometimes aggravate power asymmetries in relation to resource use. [SEP]