

EU EMISSION TRADING SCHEME

Bulgarian NAP soon final

After a two-year debate between the national government and the Commission, the final National Allocation Plan of Bulgaria will be on line for public consultation on September 17, before being officially submitted in October. Bulgaria has 2 percent of the EU cap for the period 2008-2012, corresponding to 42.27 million tonnes of carbon dioxide emissions.

EU Commission releases climate aid blueprint

In an effort to overcome the stalemate in international negotiation regarding adaptation financing, the European Commission released on Thursday a blueprint on climate aid under which the EU should contribute up to 2-15 billion euros a year to help developing countries cope with climate change. Individual country shares should be defined starting from the burning sharing agreement, but keeping into account special needs, with all details finalized only after Copenhagen. Adaptation needs had been estimated to amount to €100 billion a year, last month by UNFCCC chief Yvo de Boer. The EU financing commitment should add up to private and public effort from developing countries themselves and the role of international carbon markets. An earlier leaked version of the blueprint included €13-24 billion financing from the EU, but Stavros Dimas, environment commissioner, denied that the new number was a result of member countries pressure.

NEWS FROM THE WORLD

New Japanese PM increases emission reduction target

Yukio Hatoyama, the new Japanese Prime Minister belonging to the Japanese Democratic Party (JDP), has told the Asahi Global Environmental Forum in Tokyo on Monday that his incoming government will upgrade the country's emission reduction commitment from 8 to 25 percent reduction by 2020 compared to 1990 levels. Such a move was already included in the electoral program that has gained the JDP the victory in the August elections and that will see Hatoyama officially installed as prime minister on September 16. **Australia becomes worst emitter** According to the Maplecroft CO₂ energy emission index, Australian per capita emissions of greenhouse gases surpassed those of the US, China and India in 2009. With its 20.58 tonnes of carbon dioxide per

person each year, Australians fare worse than Americans – 19.78 tonnes per capita-and much worse than China and India -4.5 and 1.16 tonnes respectively per capita. The Australian government rejected last month a proposed carbon pollution reduction scheme, which could be back for reconsideration in November. Despite these per capita figures, China is still the worst emitter before the US and India is likely to steal the third place to Russia very soon if emission trends do not change.

RGGI auctions suffer from bearish trend

The Regional Greenhouse Gas Initiative held its latest auction on September 9, raising 32 percent less revenues than in an equivalent sale on June. The allowances were sold at \$1.87, only \$0.01 over the minimum bidding price, with fewer participants and lower overall demand than in the June auction.

African Carbon Fund in 2010

In a joint initiative to increase low-carbon development potential in the African continent, the Economic Community of West African States (ECOWAS) Bank for Investment and Development and the UN Conference on Trade and Development will be launching the African Carbon Fund in the second half of next year. The fund, which aims at collecting €200 million for CDM projects in Africa, will be managed by Paris-based Natixis Environnement & Infrastructures and is targeted to projects focusing on ethical and sustainable projects including energy-efficiency, renewable energy, biomass, biofuels and landfill gas capture. This fund could manage to make Africa one of the major players in the CDM arena, so far dominated by China and India, even if most credits are going to be generated after 2012, in a still uncertain after-Kyoto world.

THE CARBON MARKET

Carbon prices did not survive unscathed another bearish week, amid weaker energy prices and end-of-summer trading volumes below average. After losing about 1.5 percent from the previous week by Thursday, the EUA2009 crashed to €14.55 on Friday when Barclays Capital reported its December estimate for carbon at below €11. Secondary CER prices continued moving in line with EUA's, with CER2009 down to €12.90.

SOURCES TO THIS ISSUE

Pointcarbon, Reuters interactive, Climate Ark, Euractiv, Carbon Finance website

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