

## EU EMISSION TRADING SCHEME

### *EC calls for ICT sector to engage in reporting emissions*

On Friday, the European Commission called for the Information and Communication technology (ICT) sector to define guidelines for the monitoring and reporting of energy consumption and CO<sub>2</sub> emissions, which could serve as a first step in defining emission cuts for the sector starting in 2011. Some European ICT companies like Nokia and Vodafone already have monitoring systems in place, but they are all different and would be not much use in a definition of common emission reduction goals.

### *Polish utilities to receive free allowances?*

According to the Polish press, the country is likely to be entitled to allocate free emissions to new utilities starting after 2012 in accordance with a EU disposition under which some countries like Poland are entitled "to give free EUAs to utilities whose construction was physically initiated before 2009". Since it is likely that Poland will not reclaim the 285 million allowances that were unrighteously cut in the NAP assessment of the EC, some concessions on the part of the Commission on the extent to which this disposition is to be applied might be in order.

## NEWS FROM THE WORLD

### *Bangkok meeting comes to a close*

After two weeks of negotiations, the penultimate UN climate meeting before the next conference of parties in Copenhagen finally came to a close on Friday. Despite the significant reduction in the length of the negotiation text, the conference left several issues unresolved: first of all, no agreement exists over how the **resources to help poor countries** deal with climate change are to be financed, with developing countries threatening to leave talks if rich countries do not come up with sufficient funds. An even stronger divide characterizes the views over the **structure of the Kyoto successor**: with the EU pushing for an improved version of the Kyoto Protocol and the US refusing to engage is a structure based on a Kyoto setting developing countries remain strong on the fact that the Bali Action Plan specifically proposes to continue with the current framework. Disagreement characterizes also the views over **mitigation commitments**: developed and developing countries have diverging positions not only on mitigation commitment in the medium term -the first ones proposing 11-18 percent reductions by 2020, the latter

asking for at least a 40 percent reduction in GHG by the same year -but also on **how to measure commitment** in the long term. If developed countries propose a 50 percent reduction in world emissions by 2050, developing countries push for the per capita reference, while developed ones would rather go for absolute terms.

### *Norway improves climate commitment*

During the UN climate change meeting in Bangkok the Norwegian government let known that it will upgrade its climate commitment from a 30 percent reduction in greenhouse gases below 1990 levels by 2020 to a 40 percent reduction by the same year. This move was made deliberately to help international climate talks progress and it stands out as very ambitious compared to the much lower figures proposed by other developing countries for the same year (between 11 and 18 percent).

### *World mayor united against climate change*

During a meeting held in Brussels on Wednesday, the vice-president of the US Conference of Mayors met with her European counterparts to discuss strategies with which cities can help fight climate change. This meeting anticipates the release of a joint appeal signed by Eurocities, a network of European cities, and many American mayors to reaffirm the importance of cities in dealing with climate change and in particular in adapting to the consequences of climate change.

### *Mexico to set up a national green fund*

Mexico is likely to start developing the details of a national green fund, which would use IMF or World Bank money to help the most impoverished regions cope with climate change. The fund would also serve as a pilot for this kind of financing scheme, which is debated at international level, providing information on how the financial resources should be managed and divided and on what basis contributions should be asked.

## THE CARBON MARKET

Carbon gained some ground this week, with the EUA2009 gaining almost 2 percent over last week's close and closing the week at €13.68. Similar gains were recorded in the secondary CER market, with CER2009 closing at €12.42. Trades were below average with only 78 million allowances traded across all platforms.

## SOURCES TO THIS ISSUE

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

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