



## CDM Newsletter

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### CDM Information

#### **17 December 2007: Bali Roadmap has milestone significance**

On December 15 in Bali, the two-week long United Nations Conference on Climate Change culminated in a roadmap for transforming global climate change policy. The agreement's main focuses include wide-margin greenhouse gas emissions reductions, future talks aimed at setting greenhouse gas reduction emission targets for all developed nations (including the United States), and an increased appeal to developing countries to curb greenhouse gas emission growth, as no limits have thus far been officially imposed upon developing nations. Furthermore, in order to expedite a global response to climate change, developed nations are now entitled to provide aid to developing countries through technical development and transfer and financial support, and by the end of 2009 are also expected to sign a new agreement that will replace the Kyoto protocol in a bid to mitigate global warming.

In the conference resolution, European Union (EU), Australia and South Africa proposed that rich nations cut greenhouse gas emissions by 25 to 40 percent of the 1990 level by 2020. This proposal won the staunch support of delegates representing developing countries. The U.S., the only developed nation that had not acceded to the Kyoto Protocol, opposed specific emission reduction targets and advocated developing countries making their own emissions-cutting commitments, winning favor with Japan and Canada in pushing this issue. Ultimately, faced with the possibility of an EU boycott of the Climate Change Conference of Major Economies in January 2008, the U.S. ultimately conceded, accepting the Bali Roadmap.

Considering the years of effort invested in it, the Bali Roadmap symbolizes a significant milestone. It represents progress towards measurable, reportable and verifiable mitigation commitments to which all developed nations are accountable, and moreover marks the first time the U.S. has entered into an agreement that confronts challenges of global warming. The U.S. is responsible for releasing one quarter of global warming greenhouse gases worldwide, which makes containing the effects of global warming virtually impossible without U.S. input in future talks. Those drafting the roadmap should take care not to discount the importance of adaptation to climate change, increased technology development and transfer, and fund assistance, three elements that have not been given sufficient attention during previous global climate change negotiations. These three issues are crucial to ensure that developing countries can cope with global warming and cut emissions, especially considering their lesser capacity for engaging in

technology transfer and project funding. Without help from developed countries, developing nations will passively sustain disastrous consequences brought by global warming, bearing the brunt of an increase in droughts, floods and global sea levels. These issues should hence be put on par with global climate change mitigation, and faster and greater progress is sure to be made through future talks in this regard. (Xin Benjian, People Daily)

### **17 December 2007: UN approves climate change adaptation fund**

The UN has announced its approval of an adaptation fund to bolster the defenses of poor countries that lack the money, technology and human resources to cope with climate change. The announcement was made at the UN climate meeting in Bali, Indonesia this week. "Developing countries should benefit from the adaptation fund," said Yvo de Boer, executive secretary of the UN's Framework Convention on Climate Change (UNFCCC). (www.hexun.com)

### **21 December 2007: 2007 carbon market hits 70 billion dollars**

The International Emissions Trading Association (IETA) said in mid-December 2007 that the market for trading in carbon emissions was worth over 70 billion dollars this year. The vast majority of this comes from the European Union's Emissions Trading Scheme (ETS), but the market for credits from the developing world is also expected to more than double. (www.worldenergy.com.cn)

### **30 November 2007: AIG to fund carbon offsets investments in China**

American International Group, Inc. (AIG) announced that it planned to provide funding to support projects that reduce greenhouse gas (GHG) emissions through the purchase of carbon dioxide (CO<sub>2</sub>) emission offset credits in China's Xinjiang and Sichuan provinces. The proposed projects developed by U.S.-based Environmental Defense will generate 310,000 metric tons of CO<sub>2</sub> offset credits from farmers in these two provinces. The specific amount of funds and the project schedule are now under consideration. "This is a non-profit project," emphasized Olin Wethington, Chairman of AIG companies in China, "AIG is proud to contribute to a sustainable solution that benefits the people and agricultural production of the two provinces".

The United States Environmental Protection Agency (EPA) has been running pilot sites in Xinjiang for more than two years in accordance with Duke Standard, the first global check standard on agricultural carbon emissions trading, which the EPA and Duke University jointly issued this past June in Beijing. The pilot sites experimented with no-tillage cultivation of food crops, machine-irrigation of cotton fields, and construction of biogas digesters. The number of participants benefiting from biogas technology has already reached 40,000. (Jiang Yeqing, China Economic Times)

### **24 December 2007: China's first registered CDM reforestation project achieves more than half its target planting**

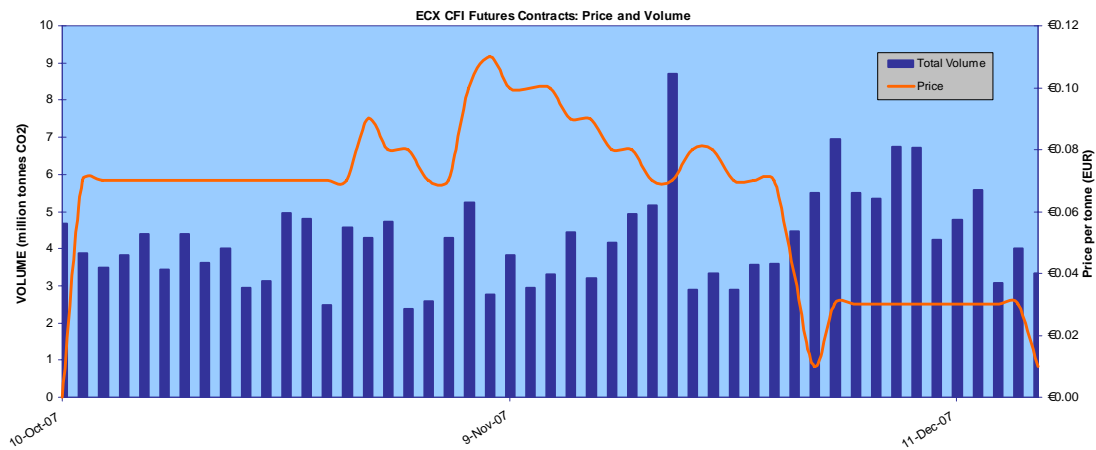
China's first registered CDM (Clean Development Mechanism under the Kyoto Protocol) reforestation project is moving ahead smoothly, having already achieved 55 percents of its total planting scheme. This project will begin trading in 2008 with a sale period of 30 years. Utilizing barren hills, CDM reforestation will achieve an improved ecological environment and

mitigation of the greenhouse effect, while also contributing to rural poverty reduction. Guangxi province is currently promoting this project. A second CDM reforestation project is also in preparation and has been approved through the World Bank and Board of Directors of Biological Carbon Foundation. The reforestation area of the second project planned in Baise City will reach 10,000 hectares. (Liang Siqu, www.xinhuanet.com)

## CDM Marketing:

The selling price for CDM in China is currently 7.4 Euros per ton.

European Climate Exchange data: (From <http://www.europeanclimateexchange.com>)



## CDM Statistics:

World: (Source: [www.unfccc.int](http://www.unfccc.int))

