



Center for
Clean Air Policy

Post 2012 Debate: The Role of Key Developing Countries

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About the Center for Clean Air Policy

- Non-profit Washington, DC based environmental think-tank committed to advancing pragmatic and cost-effective air quality and climate policy through analysis, dialogue, and education.
- Leader in several international climate initiatives on international emissions trading, the CDM, and post-2012 options.
- Involved in a number of capacity building and analytical projects in developing countries (e.g., China, India, Brazil, Mexico) and US states (e.g., California, New York, Connecticut, Maine).
- Lead analyst on project to help design the EU CO₂ emissions trading system and MRV program.
- Running a multi-stakeholder Climate Policy Initiative seeking to build agreement around elements of a national climate policy package.



SHATTERING MYTHS

The argument that developing countries are doing nothing to protect the climate is a

MYTH.

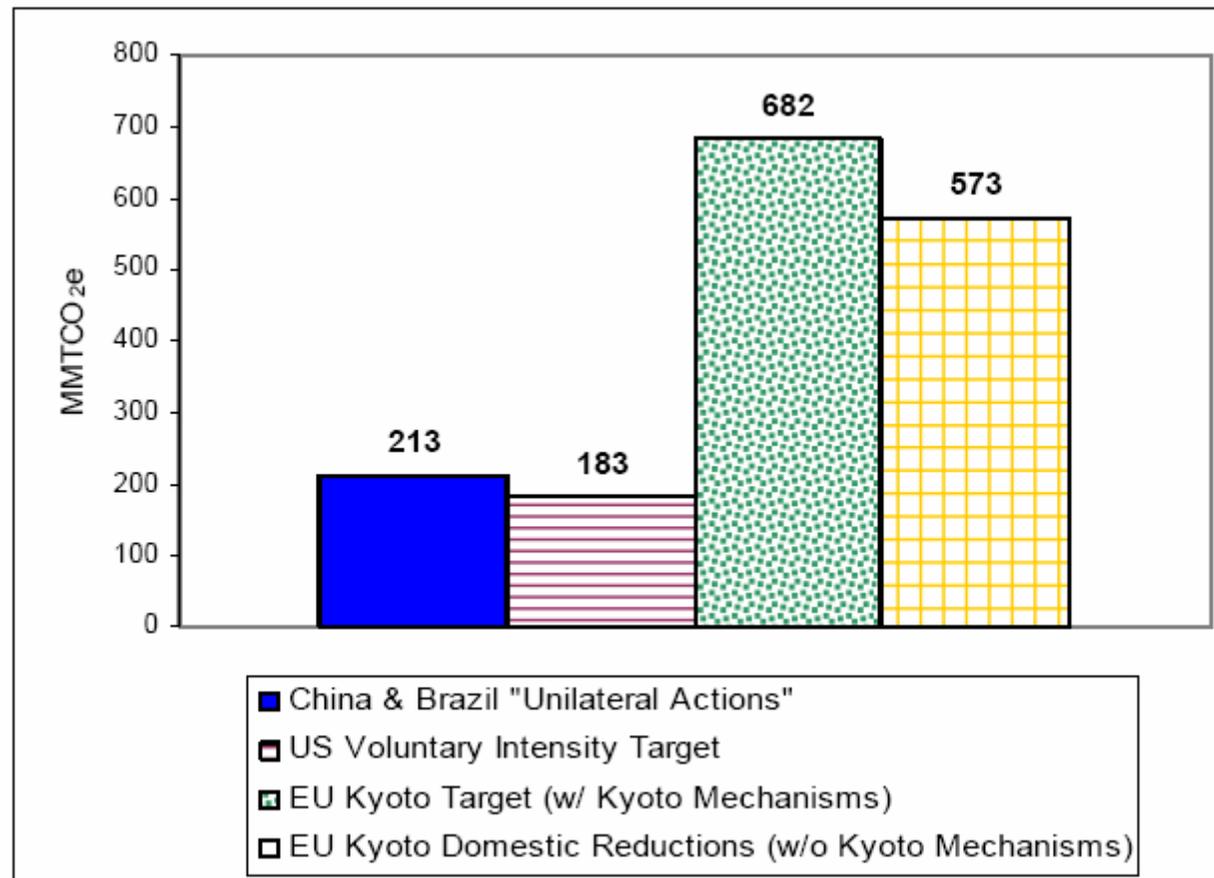


Power of Unilateral Actions by Developing Countries

Recent CCAP study shows:

- Brazil, China and India are making significant unilateral GHG reductions based on new policies
- 70% of these unilateral reductions in Brazil and China are outside the CDM, 30% in India
- Unilateral reductions are comparable to those of the US voluntary intensity program and roughly equal to 40% of EU actions within Europe through 2010
- No-lose sectoral targets in top 6 developing countries can make important contribution by 2020

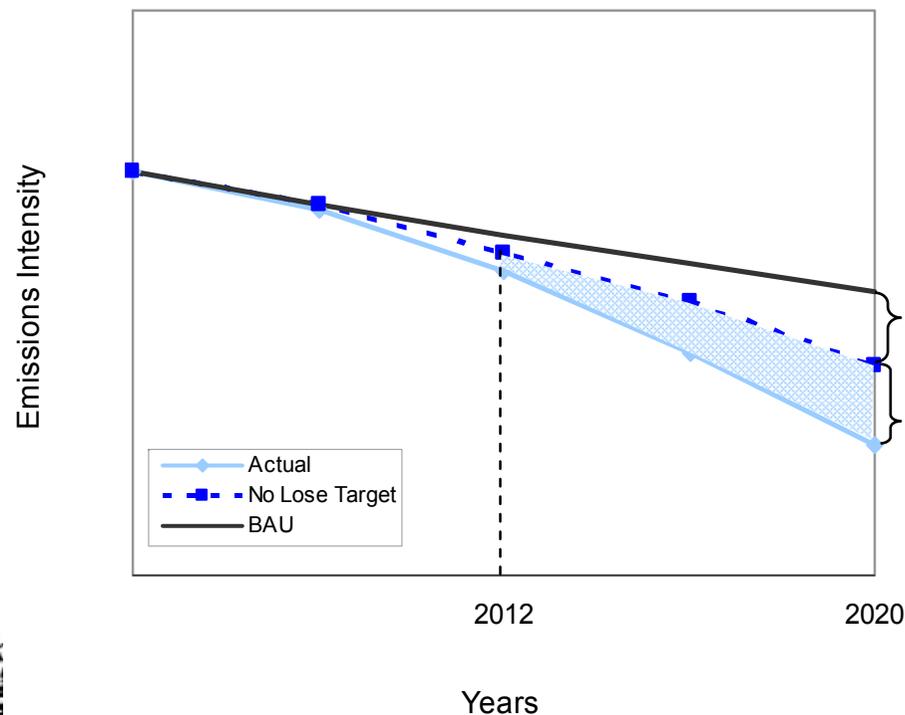
Unilateral Emission Reductions in Key Developing Countries are Significant



Establishing the “No-Lose” Sector Target

A voluntary “no lose” intensity target (e.g., ton CO₂ / ton of steel) is established

- Emissions reductions beyond the “voluntary pledge” are eligible for sale
 - » No penalty for not meeting the pledge



Developing Country's Contribution to Protecting the Atmosphere

Eligible for Sale

“Technology Financing and Assistance Package”

To encourage developing countries to take on more aggressive no-lose targets:

Industrialized countries, International Financial Institutions (IFIs), Export-Credit Agencies (ECAs) provide:

- » A package of technology finance and assistance incentives a la World Bank Clean Investment Framework

Designed to encourage demonstration of more expensive innovative technologies like IGCC/CCS

Concluding Thoughts

A future agreement will depend on two things:

- » Individual country pledges to action
- » Incentives for all countries to make such pledges

Incentives for developing countries can take the form:

- » encouragement for sustainable development
- » Support for technological innovation and deployment
- » Carbon finance
- » Avoidance of adverse climate impacts and assistance with adaptation

Concluding Thoughts

Incentives for industrialized countries should include:

- » Avoidance of adverse climate impacts
- » Movement toward an industrial level playing field
- » Knowledge that others are making comparable economic efforts to mitigate

Whatever final architectural structure is chosen must provide these incentives