



Markettracker®

Issue 14

January 10, 2007



Dear Colleagues,

Greetings and Happy New Year!

Welcome to the 14th Issue of Carbon Credit Capital's Carbon *Markettracker*. We are pleased to present in this issue the important and relevant outcomes of the *13th session to the Conference of Parties of the Kyoto Protocol*, which had taken place in Bali, Indonesia, December 2-14 of the year 2007.

In this issue, we are introducing a new section titled, "Forestry Tracker", which will find a permanent place in future issues of the *Markettracker*. We will be resuming the typical *Markettracker* format for Issue 15.

Kind Regards,
Stephen J. Donofrio

Market News

Market Developments Tracker

Carbon traders bet on Bali Climate Talks' success - Bali Roadmap established

December 2007

Prior to the United Nations Conference of Parties 13 in Bali, Indonesia, consensus was unsure regarding whether or not there would be a successor to the Kyoto Protocol. Speculative investors have already begun purchasing discounted rights to emit greenhouse gasses (GHGs), anticipating the post Kyoto climate deal, growing US caps on GHG emissions and also continued emissions limits for European companies post 2012. Discounts are said to be at least 8 Euros per metric ton of avoided carbon dioxide emissions from Kyoto priced offsets.

Market Pricing EUA as of 1/9/2007

Spot
€0.03

EUA 2008
€23.48

EUA 2008
week prior
€23.00

EUA 2008
month prior
€22.43

EUA 2008
year prior
€14.68

**Source: Point Carbon - The prices above are equivalent to one metric tonne of carbon dioxide emissions*



Speculation is proving to be on track with policy, as a roadmap for a post-Kyoto climate treaty was agreed upon at the Bali conference. This roadmap provides two years of negotiations to establish a legally binding treaty.

(Source: Reuters/National Public Radio)

Project Tracker

Changes to small-scale reforestation and afforestation projects

December 11, 2007

According to a decision by the Conference of Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP.3), the limit for small-scale afforestation and reforestation (SSC A/R) project activities under the Clean Development Mechanism (CDM) will be revised. Small-scale afforestation and reforestation project activities under the CDM are described by paragraph 1 (i) of the Annex to Decision 5/CMP.1 as "those that are expected to result in net anthropogenic GHG removals by sinks of less than 16 kilotonnes of CO₂ equivalent (KCO₂e) per year and are developed or implemented by low-income communities and individuals as determined by the host Party. If a small-scale afforestation or reforestation project activity under the CDM results in net anthropogenic greenhouse gas removals by sinks greater than 16 kilotonnes of CO₂ per year, the excess removals will not be eligible for the issuance of tCERs or ICERs." This revision doubles the original size of SSC A/R of 8 KCO₂e.

(Source: UNFCCC Website)

Investment Tracker

World Bank starts deforestation and climate change funds

December 11, 2007

World Bank President Robert Zoellick announced the program to raise up to US\$ 300M to assist developing nations reduce global greenhouse gas emissions that result from deforestation. Announced Tuesday at the United Nations Framework Convention on Climate Change conference in Bali, Indonesia, the money raised shall be deposited into two new funds, one to reduce deforestation and the other will allow nations to sell credits from successful carbon mitigation programs.

(Source: Bloomberg.com)

Policy Tracker

Adaption Fund marked as first significant progress at Bali

December 10, 2007

Established Monday after negotiations by the largest negotiating bloc, the G77 & China, the Adaption Fund will assist developing nations adapt to the anticipated effects of climate change. While the concept of the Adaption Fund is not new, the establishment of an Adaption Fund Board is and it will provide guidance for a new governance system that is to facilitate "expedited and direct access to the Fund," said Minister of Environmental Affairs and Tourism, Marthinus van Schalkwyk of the Republic of South Africa. With an anticipated value of up to US\$ 500M per year by 2012, secretariat services will be provided by the Global Environment Fund (GEF), and the World Bank will serve as the Fund's trustee.

[\(Source: hindu.com; allafrica.com\)](#)

Forestry Tracker

Reducing emissions from deforestation in developing countries: approaches to stimulate action

December 2007

In order to address emissions from deforestation and forest degradation, Parties of the Conference have been asked to voluntarily commit to strengthening and supporting the ongoing efforts that have already begun to reduce emissions from deforestation and forest degradation (REDD). Parties have also been encouraged to demonstrate activities and to submit their views on outstanding methodological issues related to REDD to the Subsidiary Body for Scientific and Technological Advice (SBSTTA). In an effort to advance the development of methodological approaches, these views are then to be presented and worked through in a workshop, the results of which will be presented by the secretariat for consideration by the SBSTTA. Relevant organizations and stakeholders are also invited to support the REDD efforts. A Web platform is to be developed, given sufficient supplementary funding, to make available information provided by Parties, relevant organizations and stakeholders. These steps are crucial for the existence of a REDD policy within the post-Kyoto climate treaty.

[\(Source: UNFCCC Website\)](#)

Conferences

Global Climate Change Associates - Introduction to Carbon Market Trading & Finance

Houston, Texas, USA, 1/16/08

Environmental Finance - Emerging Opportunities in Carbon Markets

Miami, Florida, USA, 1/17/08 - 1/18/08

Infocast - Biomass Finance & Investment Summit

New Orleans, LA, USA, 1/23/08 - 1/25/08

Platts - Carbon Trading

Houston, Texas, USA, 1/24/08 - 1/25/08

Green Power Conferences: Voluntary Carbon Markets

New York, New York, USA, 2/5/08 - 2/6/08

Global Climate Change Associates - Introduction to Carbon Market Trading & Finance

New York, New York, USA, 2/5/08

Please contact Stephen Donofrio at sdonofrio@carboncreditcapital.com with information about additional upcoming conferences you would like us to share with our readers.

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