



OPEC Environmental Newsletter

Third quarter 2011

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Climate Change Update

COP-17

Durban can deliver

Leaders of 193 countries are set to meet for the next annual UN climate summit in November, in Durban, where talks could stall again if rich and poor nations argue over how to share out emission cuts and whether to extend the existing protocol. In addition to tackling the challenge of adequate financing, Durban will also focus on what will follow the Kyoto Protocol from 2013.

“Governments have a huge opportunity here to address some of that economic recovery while addressing climate change. It is win-win,” Christiana Figueres emphasized.

Source: <http://www.pointcarbon.com/news/1.1574493><http://www.pointcarbon.com/news/1.1564089>, INTERVIEW: UN climate boss says Durban talks can deliver, 31 August 2011.

Global Climate Treaty by 2015

In a joint statement submitted to the UNFCCC, Australia and Norway proposed a plan that would result in a new legally binding global climate-protection agreement by 2015. Developed and developing nations would “formalize” targets and actions taken at a climate meeting in November, in Durban, South Africa. Nations would then spend about four years updating those targets and increasing their ambitions, according to the report, published on the UNFCCC website. In 2015, nations would “embed mitigation targets and actions into a new legally binding protocol for all parties.”

Source: <http://www.bloomberg.com/news/2011-09-19/australia-norway-propose-plan-for-global-climate-treaty-by-2015.html>, Australia, Norway Propose Plan for Global Climate Treaty by 2015, 19 September 2011.

Name change for Asia group

The Asian group of nations at the United Nations has

changed its name to the Asia-Pacific group in what diplomats have called a sign of the growing importance of the region’s island nations.

Pacific Island nations, beginning with Fiji, started joining the Asia group from 1970 as they began to become independent. With Fiji, the Marshall Islands, Micronesia, Nauru, Palau, Papua New Guinea, Samoa, the Solomon Islands, Tonga, Tuvalu and Vanuatu now in the group, they make up more than one-fifth of the membership and started pressing for the name to change last year.

Diplomats said that at China’s insistence the group will be officially called Group of Asia and the Pacific Small Island Developing States. But documents will be allowed to use the Asia-Pacific group.

Source: <http://www.news.com.au/breaking-news/pacific-island-power-recognised-at-un/story-e6frfku0-1226126922789#ixzz1ZQr6scSv><http://www.pointcarbon.com/news/1.1564089>, Pacific island power recognized at UN, 1 September 2011.
<http://www.eco-business.com/news/imo-agrees-mandatory-co2-cut-measures-for-new-ships/>, IMO agrees mandatory CO2 cut measures for new ships, 15 July 2011.

FINANCE

“Dead end” for Green Climate Fund

“The current UNFCCC negotiations over the creation of the Green Climate Fund are heading down a dead end,” Michael Liebreich, chief executive of Bloomberg New Energy Finance (BNEF), said in a statement. The fund, which aims to help raise \$100 billion per year by 2020, was launched in Cancun last December. It is being designed by an interim committee that expects the fund to be filled mainly with developed-country public coffers, BNEF said in a new report.

Even if the committee succeeds in creating a fund, Liebreich said, “there is no earthly way developed

CARBON MARKETS

world governments will resource it to the tune of \$100 bn per annum”, as many “are under extreme fiscal — perhaps even solvency — pressure.” The committee has acknowledged that private finance will play some kind of role, but there is no agreement on how it should be attracted, or administered, according to Liebreich.

Also, he said that some calls for global taxes on shipping, aviation and financial transactions to feed the fund are unlikely to be adopted by many developed countries, notably the United States. If a UN global fund relies too much on public money, there is a real chance it will only raise up to one-tenth of the \$100 billion that is needed each year, Liebreich added.

Source: <http://www.pointcarbon.com/news/1.1574603><http://www.pointcarbon.com/news/1.1564089>, Global green fund lacks private-finance experience: report, 1 September 2011.

India at G20 refuses carbon tax as climate change finance

India's Finance Minister, Pranab Mukherjee, said at the G20 Finance Ministers' meeting on 23 September, in Washington, that measures like carbon tax and a levy on CDM offsets violate the principle of the UNFCCC as the incidence falls entirely on developing countries. There is a talk that developed countries could levy unilateral trade measures (UTM) such as a carbon tax on goods and services imported from developing countries on environmental grounds. India has opposed any such move and has sought inclusion of UTM as an additional item for discussion at the upcoming climate talks in Durban, South Africa.

In his intervention, Mr Mukherjee also opposed the inclusion of international levies on shipping and aviation emissions as revenue-raising options until a mechanism for the refund of revenues collected from developing countries is instituted. “The refund should not be treated as climate change finance flow, or a contribution of developing countries to global revenue mobilization,” he said.

Source: <http://www.thehindubusinessline.com/industry-and-economy/economy/article2482394.ece>, India opposes counting carbon tax as climate change finance, 24 September 2011.

Figueres optimistic over carbon markets future

The first commitment period of the Kyoto Protocol is scheduled to end at the end of next year, sparking fears among carbon traders that the legal foundations for the CDM and the parallel Joint Implementation (JI) carbon offset schemes will be removed. However, Christiana Figueres, Executive Secretary of the UNFCCC, predicted that some form of international agreement would be reached to allow for the expansion of the global carbon market and the continuation of the CDM.

“The fact is that if you take a long-term vision then there is no doubt in my mind that if industrialised countries in particular take deeper mitigation targets, which they all must, then markets will play a role in bringing down the cost of those mitigation efforts, just like the CDM helped bring down the cost of the commitments in the Kyoto Protocol,” she said.

Figueres acknowledged that the stand-off between industrialised and developing nations over whether or not to agree a second commitment period for the Kyoto Protocol was damaging investor confidence in the carbon market. “What governments are still considering is do they want to bring the bigger mitigation efforts that are going to have to go beyond specific individual projects into the CDM and expand the scope of the CDM, or do they want to make a complementary market that will be there side-by-side with the CDM, catering to different niches in the market. That decision is not yet taken.”

Source: <http://www.businessgreen.com/bg/news/2116172/figueres-predicts-carbon-market-overcome-current-uncertainty>, Figueres predicts carbon market will overcome current uncertainty, 11 October 2011.

EU aims for “ambitious” targets to aid carbon market

The United Nations carbon program, the world's second-biggest, needs “ambitious” emission-reduction targets to rescue a market that has shrunk by nearly 80 per cent since 2007, according to the European

Commission. Greenhouse gas credits dropped to a record low.

More than 190 nations will discuss climate-protection rules for the period after 2012 when the current targets for developed nations under the Kyoto Protocol expire. Talks will take place in Durban, starting on 28 November 2011. The European Union is open to the so-called second commitment period under certain conditions and hopes to have a new agreement binding all countries to cut emissions within five years, said Artur Runge-Metzger.

“We’re hopeful that countries within coming years will increase their level of ambitions and that would create additional demand for the Clean Development Mechanism,” Runge-Metzger stated. “That’s something we’ll have to see. I wouldn’t close the door.”

The UN CDM, which generates credits for investment in emission-reduction projects in developing countries, shrank to \$1.5 billion last year from \$7.4 bn in 2007, according to World Bank estimates.

“In terms of calculations, if everything stays as it is, it seems that supply is sufficient to meet demand,” Runge-Metzger said. “But we’d hope that, like what we’ve seen in Australia, which is planning to introduce emissions’ trading as of 2015, there may be more demand coming into the system. There could be several others.”

Source: <http://www.bloomberg.com/news/2011-10-17/-ambitious-climate-targets-needed-to-rescue-un-market-eu-says.html>, ‘Ambitious’ Climate Targets Needed to Rescue UN Market, EU Says, 17 October 2011.

EU, Australia discuss development of joint carbon markets

The Australian government unveiled plans in July to impose a tax on carbon emissions from July 2012, before moving to a carbon trading system from mid-2015.

“Australia’s decision to put a price on carbon emissions is, in our view, an important step, both environmentally and economically,” stated European Commission President, Jose Manuel Barroso, after talks with Australian Prime Minister, Julia Gillard, in Canberra. “It is in our view and

the European experience, the most cost-efficient way to reduce emissions and also create green business opportunities. We will now continue our joint work for a global climate regime and also, on a bilateral basis, we will see what we can do together,” Barroso said.

Gillard said the EU and Australia would start talks to look at linking the two systems at an appropriate time in the future. “Given our mutual interest in developing carbon markets to drive efficiencies, the President and I have agreed today to establish senior officials’ talks to discuss economy-to-economy measures we can jointly undertake to link our emissions’ trading schemes,” she stated.

Source: http://www.reuters.com/article/2011/09/05/us-eu-australia-carbon-idUSTRE7840QV20110905?feedType=RSS&feedName=environmentNews&utm_source=feedburner&utm_medium=feed&utm_paign=Feed%3A+reuters%2Fenvironment+%28News+%2F+US+%2F+Environment%29 EU, Australia to discuss linking carbon trading schemes, 5 September 2011.

EU wants “universally approved standards for new market-based approaches”

Any new market mechanisms to cut carbon emissions should be anchored in international law to avoid fragmentation of the international carbon market, the EU stated in October.

Speaking to reporters in Beijing, Jos Delbeke, director-general of the European Commission’s climate department, said U.N. recognition of how new mechanisms should look is one of the issues the EU hopes to be solved successfully at climate talks in South Africa.

“We risk having a wide variety of mechanisms (if there are no universally approved standards for new market-based approaches)”, he said.

Delbeke said he was not optimistic about the chances of agreeing a second round of targets under the Kyoto Protocol, the global treaty that underpins the two U.N. carbon markets - the Clean Development Mechanism and Joint Implementation. “If people are expecting a big bang, that’s not on the cards,” he said. “In reality, what may happen is that the Europeans declare themselves politically in favour of the Kyoto Protocol.”

Source: <http://www.pointcarbon.com/news/1.1622898>, *EU wants new market mechanisms under international law*, 18 October 2011.

KYOTO PROTOCOL

EU agree to 2nd commitment period, but with others on board

A successful outcome for the next global climate change conference in Durban would be to get everything in place for a legally binding successor to the Kyoto Protocol in less than five years, the European Union's chief climate negotiator said. "Everybody needs to have signed up by 2015," Artur Runge-Metzger said. Ratification would take several years more after that. Pending a new global deal, there would be a transition period in which the Kyoto mechanisms would still apply and the EU would carry on leading efforts to cut emissions, he said.

Previous climate change conferences in Copenhagen in 2009 and Cancun in 2010 ended without a plan for a new global deal and time has run out to get a binding treaty in place when the first phase of the Kyoto Protocol expires at the end of 2012.

At the start of October, the EU declared its openness to agreeing to a second Kyoto commitment period after the first ends, but said it must have guarantees that other carbon emitters would also join in at some point.

Only developed nations signed the original pact in 1997. The United States never ratified it and developing countries have become major emitters, with China overtaking the US to become the world's biggest producer of carbon.

Runge-Metzger said it was crucial to avoid a "catch 22" situation in which China said it would only sign when the US did and vice versa. "They will have to go through the gate together," he said.

Source: <http://www.pointcarbon.com/news/1.1608775>, *Durban target is to get Kyoto deal within 5 years — EU*, 14 October 2011.

EU official — Kyoto Protocol future doesn't affect carbon market

Any failure to extend the Kyoto Protocol at forthcoming UN climate talks in South Africa "will not have any material effect on the European carbon market." However, a political decision to extend the 1997 Kyoto pact beyond 2012 "could at most have medium-term supply and demand side-effects" on the EU emissions' trading scheme, said Jos Delbeke, Director-General at the European Commission's DG Climate Action unit.

By the end of November 2011, delegates in Durban will discuss the fate of the Kyoto protocol. "From a legal point of view, whether a second commitment period is agreed or not does not affect the EU ETS," Delbeke stated in Carbon Market Europe. The operation of the market "is independent" of UN developments and decisions, Delbeke said, adding that "this was the only way to provide the European carbon market with continuity and stability for the coming decades."

Source: <http://www.pointcarbon.com/news/1.1586833>, *ETS immune from Kyoto fate, says EU official*, 23 September 2011.

Figueres: Legally binding post 2012 agreement achievable, but not in Durban

A legally-binding post-2012 climate agreement is achievable, said the executive secretary of the UN Framework Convention on Climate Change (UNFCCC) Christiana Figueres — but not this year.

"I certainly think that a legally-binding agreement is achievable, but that is not what governments are moving toward in Durban," stated Figueres.

Instead, Figueres said, governments will be looking at the possibility of a second commitment period of the Kyoto Protocol — the first expires at the end of 2012 — as well as elaborating on new emissions reduction targets made under the auspices of the UNFCCC. Then, she said, they could look at "how they would start a process toward a comprehensive agreement that they would work on over the next years".

"There are 16 major economies that have national [climate change] legislation in place, the private sector is doing much, the investment sector is doing much —

so it's actually building on all of these various building blocks, if you will, that they will move towards a broader and more ambitious comprehensive agreement.”

Figueres added that the COP meeting could approve the foundations of some of these initiatives, which have arisen out of last year's COP in Cancún, such as the committee for the Cancún Adaptation Framework, to enhance action on adapting to the effects of climate change.

Source: <http://www.environmental-finance.com/news/view/2066>, Figueres: *Legally-binding climate deal achievable*, 20 October 2011.

MITIGATION/EMISSIONS

China to implement CO₂ caps

Beijing has pledged to reduce carbon intensity — the amount of CO₂ produced per unit of GDP — by 17 per cent over the next five years and has also committed to using “market mechanisms” to reach its targets. “In reducing emissions in the future, more policies will rely on market methods,” Su Wei, Director General of the National Development and Reform Commission (NDRC) climate change office, said.

“We are choosing certain regions that have the right conditions to implement controls over total carbon emissions,” he stated. The State Council, China's cabinet, has drawn up a comprehensive low-carbon “five-year plan” that is expected to include a nationwide energy consumption cap of 4.1 billion tonnes of standard coal.

However, Beijing has been wary of imposing an absolute national greenhouse gas cap, saying its priority as a developing country is still economic growth, and that the industrialised nations should continue to bear most of the burden when it comes to cutting global emissions.

Source: <http://www.reuters.com/article/2011/08/18/china-carbon-idUSL3E7J1ZL20110818><http://www.pointcarbon.com/news/1.1564089>, *China studying regional CO₂ caps — official*, 18 August 2011.

Russia earns carbon credit

Russian pulp and paper giant, the Ilim Group, received 520,000 UN-backed Kyoto carbon credits in the country's latest round of offset issuance, as Moscow seeks to capitalise on its spare Kyoto emission units ahead of a 2012 deadline.

One of Ilim's two projects received 235,000 ERUs for cutting emissions through modernising a paper mill in Russia's Arkhangelsk region in the North West. The other project took delivery of 284,000 units for using biomass by-product for energy generation at a paperboard factory in the central part of the country near the town of Bratsk. The two schemes have the potential to earn 2.27 million ERUs over the five-year period between 2008 and 2012, according to project design documents.

In June, Russian President, Dmitry Medvedev, urged his government to speed up the time it takes to hand out carbon credits to projects that cut emissions under the Kyoto Protocol's Joint Implementation mechanism, which is due to expire at the end of next year.

Source: <http://www.pointcarbon.com/news/1.1572091><http://www.pointcarbon.com/news/1.1564089>, *Russia issues 520,000 ERUs to paper producer*, 23 August 2011.

China invests in low carbon development

China will invest 2 trillion yuan (about \$313 billion) to promote a green, low-carbon economy in the next five years. Xie Zhenhua, Vice Minister of the National Development and Reform Commission, was quoted by the China Daily newspaper as saying that the government will promote low-carbon development with a variety of projects during China's current five-year plan, which began this year. The green economy plan includes setting up 100 bases for demonstrating resource utilisation and launching low-carbon pilot programs in five provinces and eight cities, Xie said at the Second China International Eco-City Forum in Tianjin, east of Beijing.

Source: [Http://www.reuters.com/article/2011/09/25/us-china-carbon-idUSTRE7800T220110925?feedType=RSS&feedName=environmentNews&utm_source=feedburner&utm_](http://www.reuters.com/article/2011/09/25/us-china-carbon-idUSTRE7800T220110925?feedType=RSS&feedName=environmentNews&utm_source=feedburner&utm_)

medium=feed&utm_campaign=Feed%3A+reuters%2Fenvironment+%28News+%2F+US+%2F+Environment%29&utm_content=Google+Feedfetcher, China to invest 2 trillion yuan in low-carbon economy, 25 September 2011.

Denmark — 40 per cent CO₂ cut by 2020

Denmark has undertaken to cut CO₂ emissions by 40 per cent by 2020 from 1990 levels to be achieved mainly by a target to raise renewable energy use in the country to 50 per cent, the new centre-left government stated in October. In a statement, the government coalition said it wanted to agree the targets with opposition parties before Denmark takes over the rotating six-month presidency of the EU at the start of next year.

The announcement followed the formation of a government led by Social Democrat Prime Minister, Helle Thorning-Schmidt, whose party won a majority of seats in a general election at the end of September. Last year, the Nordic country said it had received around one-third of the 18.5 million carbon credits it had planned to buy to help meet the goal.

Under a collective EU commitment, Denmark is expected to reduce its emissions by 20 per cent from 2005 levels for sectors not included in the EU emissions' trading scheme.

Around one-quarter of Denmark's installed capacity is from wind generation, for which the country is a major manufacturer of turbines and related equipment.

Source: <http://www.pointcarbon.com/news/1.1594208>, Denmark commits to 40 pct CO₂ cut by 2020, 3 October 2011.

Netherlands GHG emissions rose in 2010

Dutch emissions rose by 12 million tonnes of CO₂ equivalent to 211 million in 2010, excluding the impact of carbon sinks, such as forests, according to preliminary data published by Statistics Netherlands.

In 2010, Dutch emissions were 10.75 million tonnes higher than the country's 200.25 million tonnes annual Kyoto Protocol target for the 2008–12 period.

The state statistics office blamed a colder-than-average winter and the country's economic recovery for the increased pollution levels, which ended a gradual fall in emissions since 2004. Under the UN treaty, the country has pledged to cut emissions by six per cent below 1990 levels in that period.

Source: <http://www.pointcarbon.com/news/1.1572246><http://www.pointcarbon.com/news/1.1564089>, Dutch GHG emissions rise above Kyoto cap in 2010, 23 August 2011.

US Pres. Candidate Romney: "I do not believe in cap and trade"

US Presidential candidate, Mitt Romney, in danger of losing his 2012 Republican primary front-runner status, stated that he would not place restrictions on carbon emissions, if elected.

Romney, the former Massachusetts governor, also said he does not know if human activity is the primary cause of climate change and does not favour spending heavily on climate solutions.

Still, using additional domestic nuclear, natural gas, and other resources could have a side benefit of cutting carbon emissions, Romney said. "My view is pursue a strategy which gets us into energy independence which has as a byproduct it gets us into less CO₂ emitting."

He criticized a bill backed by President Barack Obama that would have capped carbon emissions and allowed polluters to buy and sell rights to emit carbon.

"I do not believe in cap and trade and I do not believe in putting a carbon cap" on polluting industries, Romney said.

Source: <http://www.pointcarbon.com/news/1.1572790>, Romney says would not put limits on emissions, 25 August 2011.

Perry's energy plan slashes EPA

Texas Governor, Rick Perry, has unveiled his energy strategy at a Pittsburgh steel mill, touting new energy

production and an easing of environmental regulations as catalysts for economic growth.

“We have the resources we need to fuel our cars, our homes and our power plants. They can be found in Pennsylvania, West Virginia, Ohio, Texas, Oklahoma, North Dakota, New Mexico, Alabama, Kentucky throughout the American West and, of course, Alaska,” he stated in early October.

“But President Obama and his over-reaching Environmental Protection Agency won’t allow American businesses and American labour to draw on even a fraction of this domestic energy from reserves on government-owned lands.”

Perry said he would immediately open up several oil and gas fields for exploration that the Obama administration had closed off, including the Gulf of Mexico, Alaska and the mid-Atlantic.

He also expressed strong support for construction of the controversial Keystone XL pipeline, which would take Canadian crude oil from emissions-intensive tar sands extraction to coastal refineries.

“When you consider that any carbon reduction will be offset by the increase of carbon emissions by developing nations like China and India, the EPA would tie our economy in knots and advantage our global competitors, while realizing no global environmental benefits in the process,” he said.

Source: <http://www.pointcarbon.com/news/1.1608816>, Republican Perry targets EPA in energy plan, 14 October 2011.

EEA reports 2.4 per cent emissions increase in 2010

The European Union remains well on track to achieve its Kyoto Protocol target for reducing greenhouse gas emissions despite a 2.4 per cent emissions increase in 2010, according to first estimates by the European Environment Agency (EEA). The 2010 increase follows a seven per cent drop in 2009, largely due to the economic recession and growth of renewable energy generation.

Many different policies have played an active role in bringing down greenhouse gas emissions. Alongside renewable energy or energy efficiency, efforts to reduce water pollution from agriculture also led to emission reductions.

Overall, EU emissions declined by 15.5 per cent. EU-15 emissions were 10.7 per cent below base year levels, still well below its collective eight per cent reduction target for the 2008–12 period. Looking ahead to 2020, EU Member States will have to implement planned measures to achieve the Union’s unilateral 20 per cent reduction commitment, itself a precursor to the much deeper emission cuts needed in the long run to build a low-carbon economy.

Source: <http://www.wastexchange.co.uk/detailNews.phpsc?doc=/GARWER/DOCS/news/194-E1B-160>, EU greenhouse gas emissions estimated to increase in 2010, 20 October 2011.

Eight per cent cut of carbon emissions by 2020 to meet Copenhagen goal

Ahead of COP17 in Durban, a study has revealed that to meet goals mitigating climate change, carbon emissions will have drop 8.5 per cent by 2020.

Meeting the target for global warming enshrined in the 2009 Copenhagen Accord will require carbon emissions to decline by more than eight per cent by 2020 compared to 2010 and then continue their fall. In a paper published online in the peer-reviewed journal Nature Climate Change, researchers led by Joeri Rogelj of the Institute for Atmospheric and Climate Science at ETH Zurich in Switzerland, revisited computer models in the light of 2°C objective.

In scenarios that saw a “likely” — higher than 66 per cent — chance of staying below 2°C, global emissions would have to peak between 2010 and 2020. By 2020, annual emissions would have to be 44 billion tonnes, or gigatonnes, of carbon dioxide or its equivalent (CO₂e) per year. This would amount to an 8.5 per cent cut compared with 2010 levels, when global emissions were 48 gigatonnes. Emissions would have to keep falling thereafter. “If the mechanisms needed to enable an early peak in global emissions followed by steep

reductions are not put in place, there is a significant risk that the 2°C target will not be achieved,” the paper warns.

Source: <http://mg.co.za/article/2011-10-24-carbon-cuts-of-85-needed-by-2020-to-meet-copenhagen-goal/>, Carbon cuts of 8.5% needed by 2020 to meet Copenhagen goal, 24 October 2011.

AVIATION

India and 25 other countries oppose EU aviation carbon tax

From January 2012, airlines flying into, or out of, EU airports will have to surrender permits to cover all the CO₂ they emit during the entire flight. They join some 11,000 factories and power plants already in the \$100 billion market.

The International Civil Aviation Organization (ICAO) said the issue of aviation in the EU ETS is on the agenda for the 190-nation body's next meeting in November, where the group of 26 countries said they will submit a working paper, along with their joint declaration in opposition of the scheme.

Critics, including the 26 opposing governments, have called the “unilateral” scheme illegal, saying it violates the Chicago Convention on international aviation, as well as some provisions under the World Trade Organization.

India, which hosted a two-day meeting in New Delhi, said delegates from non-EU countries, which are also members of the UN's ICAO Executive Council, agreed to lodge a formal protest against the EU's new rules at the Council's next meeting.

Source: http://www.reuters.com/article/2011/09/30/us-eu-aviation-emission-idUSTRE78T1TX20110930?feedType=RSS&feedName=environmentNews&utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+reuters%2Fenvironment+%28News+%2F+US+%2F+Environment%29&utm_content=Google+Reader, India, 25 others oppose EU airline carbon charge plan, 30 September 2011.

Airlines concerned about EU aviation rules

Pressure is mounting on the European Commission (EC) to respond to international opposition to its aviation emissions' trading scheme, which is due to be introduced in 2012.

The Association of European Airlines (AEA) met in July with the EC after the United States Congress passed an anti-EU ETS bill and said it “remains in close conversation with the Commission about how to iron out some of the sticking points in the EU ETS scheme.”

“We're working on suggestions about how some of the opposition can be overcome ... we feel that the best way forward will be to secure the support of key players like the US,” said an AEA spokeswoman. “We would be looking to coordinate with the ATA once we've established some possible ways of addressing concerns over the ETS,” she added.

The ATA and two of its members are currently embroiled in a legal challenge over the EU scheme being heard at Europe's highest court, with a first opinion on the case due in early October.

“It's very late in the day now and the EC is confident in its position ... that this is not a proposal, this is law and it's coming into force in January 2012.”

“In the same sort of way the US responded with (tougher airline) security after 11 September, Europe is perceived by foreign countries as imposing its environmental policy on the rest of the world,” she added.

Source: <http://www.pointcarbon.com/news/1.1572730>, EU under pressure to address aviation ETS dissent, 24 August 2011.

China, EU “agree to disagree”

Chinese authorities, the Civil Aviation Administration of China and private airlines all rebutted the EU argument that it has the right to force foreign airlines to comply with CO₂ limits under the EU Emissions Trading Scheme, Jos Delbeke, director general of the European Commission's climate department, stated. “We agreed to disagree,”

Delbeke said at a press conference in Beijing, adding that the parties will continue to discuss the situation. If an agreement cannot be reached, airlines have the option to sue the Commission, he said.

Starting from 1 January 2012, all airlines operating flights in the EU will be forced to surrender carbon permits to cover their emissions. For the first year, airlines will be given 85 percent of their allocation of permits for free but will have to buy the rest in the market.

The China Air Transport Association (CATA) has estimated this would cost Chinese airlines 800 million yuan (\$125m) in 2012 and more in subsequent years.

“We are very determined to say it is not a violation of the Chicago Convention (governing international aviation), neither is it in violation of the U.N. Climate Convention,” said Delbeke.

Source: <http://www.pointcarbon.com/news/1.1622875>, China, EU fail to solve aviation ETS problem, lawsuit looms, 18 October 2011.

US passes anti-airline EU ETS bill

Washington lawmakers passed a bill on the floor of the House of Representatives that would shield US airlines from complying with EU emissions caps, the latest shot fired in an intensifying battle over Europe’s aviation cap-and-trade scheme.

The bipartisan bill, could hamper the EU’s efforts to regulate aviation emissions outside its borders and put pressure on the 27-nation bloc to rescind its law if matched by Senate legislation. Republican Congressman John Mica, one of the bill’s authors, said on the House floor ahead of the vote, the US has strong support from a majority of countries who oppose the EU scheme, which means “Europe will be left behind on this issue.”

The measure directs the transportation secretary to prohibit US carriers from participating in the program if it is unilaterally imposed. It also tells other federal agencies to take steps necessary to ensure that US carriers are not penalized by the emissions control scheme. Additionally, it bars carriers from submitting emissions data to the EU as required by European law.

Sources: <http://www.pointcarbon.com/news/1.1634922>, U.S. lawmakers pass anti-airline EU ETS bill, 24 October 2011 and http://www.washingtonpost.com/business/industries/house-votes-to-keep-us-airlines-out-of-eu-emissions-control-plan/2011/10/24/gIQAf22XDM_story.html, House votes to keep US airlines out of EU emissions control plan, 24 October 2011.

SCIENCE

Elephants – solution to biofuel problem

Scientists believe that a biochemical cocktail, based on enzymes and micro-organisms, found in elephant faeces and in rotting vegetable matter, could potentially revolutionise biofuel production by making it possible to mass-produce eco-friendly gasoline for the first time, without relying on food crops.

Research shows that the new technology, along with other second-generation or “2G” biofuels, could produce up to 90 billion litres of bio-ethanol in Europe by 2020 and displace more than 60 per cent of conventional petrol use, as well as reduce reliance on crops, such as maize, which has been blamed for fuelling the global food crisis.

One analysis calculated that the widespread take-up of 2G biofuels could reduce greenhouse gas emissions from vehicles by more than 40 per cent by 2020. Volkert Claassen, DSM’s Head of Strategy in Biotechnology, said: “From the technology point of view, we are very confident that this will work. But we are at the point where we need to take this to a very different level ... If you want to make these kinds of tremendous changes in the world then you need the right political environment.”

Source: <http://www.independent.co.uk/environment/green-living/how-elephants-could-solve-the-biofuel-problem-2345863.html>, How elephants could solve the biofuel problem, 30 August 2011.

Report – Climate Change influencing migration

“Millions will migrate into, rather than away from, areas of environmental vulnerability,” said Sir John

Beddington, chief scientific advisor to the UK government, and head of the Foresight programme. “An even bigger policy challenge will be the millions who are trapped in dangerous conditions and unable to move to safety.”

The scientists, in a report entitled Migration and Global Environmental Change, found that between 114 million and 192 million more people were likely to be living in floodplains in urban areas of Africa and Asia by 2060, partly as a result of climate change.

People who are trapped by warming — either because they cannot move from their homes, or because they have moved but are unable to find better places to live — will represent “just as important a policy concern as those who do migrate”, the report concluded. “Environmental change is equally likely to make migration less possible, as more probable.”

Although the scientists who wrote the report declined to put an estimate on the number of people likely to be displaced, they said it was “undeniable” that

migration would be a major factor, and one that would be potentially destabilising to established governments.

Previous attempts to put an estimate on the number displaced have met with controversy — a prediction by the United Nations Environment Programme that 50 million people would be forced to migrate by climate change by 2010 was attacked by climate change sceptics, who said there was no proof of how many of the 210 million people who moved across borders in that year had been forced to flee by environmental conditions.

The Foresight programme scientists said there were many factors influencing migration, but that climate change was likely to become a much more significant factor in the next 20 to 30 years.

Source: <http://www.guardian.co.uk/environment/2011/oct/20/climate-change-millions-disaster-report>, Climate change could trap hundreds of millions in disaster areas, report claims, 20 October 2011.

Feedback

Thank you for showing interest in the Environmental Newsletter.

Please send us your comments and suggestions to: zal-yasiri@opec.org

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