

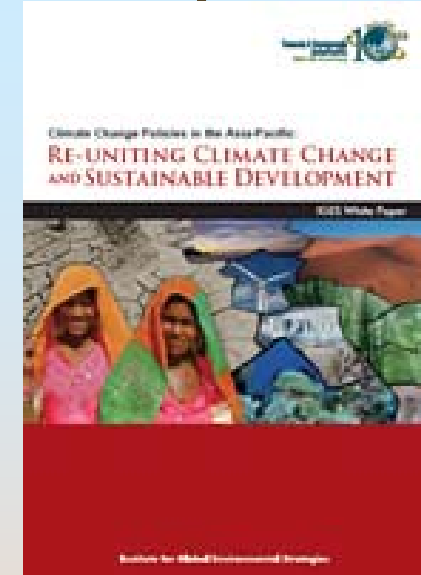
# Asian Perspective of Climate Change: Implication for Post-2012 Climate Regime

**Hitomi Kimura,  
Researcher (L L.M.), IGES**

East Asia Summit: 7th Energy Cooperation Task Force Meeting International Seminar:  
*'Energy Future: Turning Challenge into Opportunity'*, June 27th, 2008, Seoul  
Hosted by Ministry of Knowledge and Economy (MKE)  
and Korea Energy Economics Institute (KEEI)

# Emissions in Asia from IGES White Paper 2008

- ❁ GHG emissions in Asia: 27% of the world total (2005) , estimated to increase up to 40% (2030)
- ❁ Low per capita emission: 2.7tCO<sub>2</sub>/Pop. (world average 4.2)
- ❁ High rate of forest loss: >1.5%/year (REDD)
- ❁ Emission reduction opportunity by 10% by 2030 without additional efforts



**Table 2.1. Energy-related CO<sub>2</sub> emissions by region in 2005**

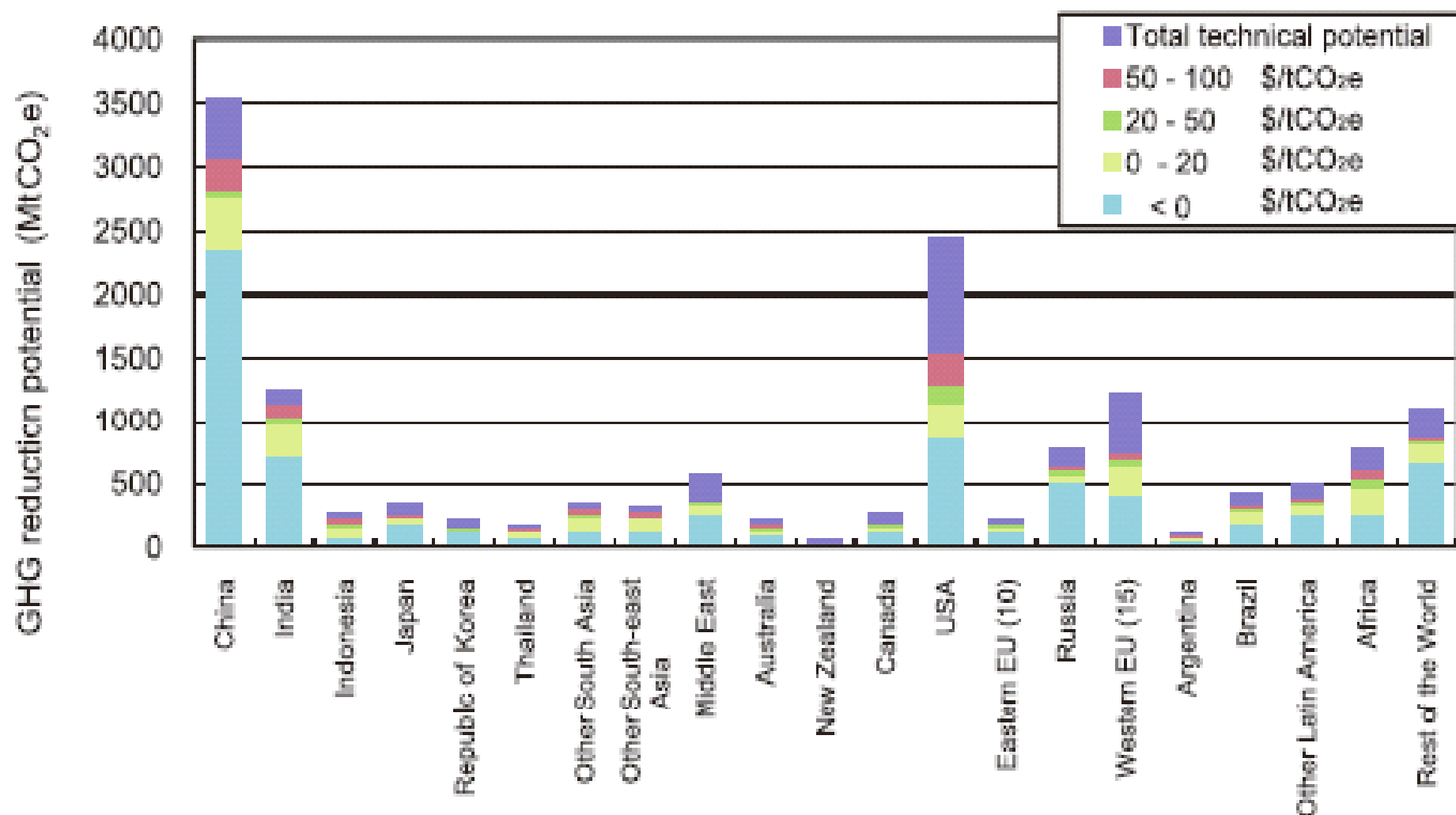
Region	Total CO <sub>2</sub> Emissions (million tonnes)	CO <sub>2</sub> / Pop. (tCO <sub>2</sub> / capita)	CO <sub>2</sub> / GDP (kgCO <sub>2</sub> / 2000\$)	CO <sub>2</sub> / GDP (PPP) (kgCO <sub>2</sub> / 2000\$ PPP)
World	27,136	4.22	0.75	0.50
OECD (excluding Japan and the Republic of Korea)	11,247	11.29	0.49	0.43
Middle East	1,238	6.62	1.58	0.91
Former USSR	2,303	8.08	4.39	1.10
Non-OECD Europe	263	4.87	1.73	0.61
Asia	9,295	2.75	0.97	0.48
Latin America	938	2.09	0.58	0.29
Africa	835	0.93	1.14	0.40

Source: IEA (2007)

# High mitigation potential in Asia

from IGES White Paper 2008

Figure 2.1. GHG mitigation potentials in 2020



Source: Hanawa et al. (2008)

# IGES Asia-Pacific Consultations on Climate Regime Beyond 2012

## ❁ Objective

- To contribute to shaping a future climate regime that reflects concerns and developmental aspirations in Asia-Pacific
- To facilitate a dialogue on national concerns, aspirations and priorities among key stakeholders (e.g., policymakers, academics, NGOs, businesses)

## ❁ Round I (2005)

- Country-specific: **Korea, Indonesia, India, China, Viet Nam, Japan**

*Outreach: COP11/COPMOP1 and CSD-14*

## ❁ Round II (2006)

- Sub-regional: South Asia (India), Northeast Asia (China), Southeast Asia (Thailand)
- Assessment of proposals: **CDM, Adaptation, TT, Energy security and development**

*Outreach: COP12/COPMOP2 and CSD-15*

## ❁ Round III (2007)

- Theme-based consultations in China and India
- Proposals: **Sectoral Approaches, Low carbon technology, Adaptation financing, Co-benefits**

*Outreach: COP13/COPMOP3 and G8 summit*



# Views on KP and Post-2012 regime

- ❁ Recognized achievements through the UNFCCC/KP, but concerned about actual implementation
- ❁ Few development/declaration on specific position on the post-2012 regime due to various barriers
- ❁ Insufficient reflection of Asian interests and priorities in the current regime  
→ more consideration after 2013
- ❁ Consider multi-stage, multi-track and inclusive framework
- ❁ 5 Key issues covered in the dialogue; Energy Security/development (Co-benefits), CDM, Sectoral Approaches, Technology, Adaptation



# 1. Energy Security

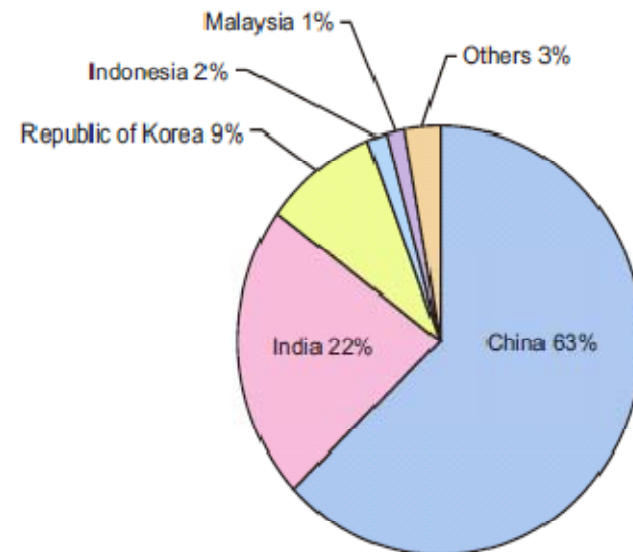
## & Development (Co-benefits)

- ❁ Post-2012 negotiation should consider complementarities among CC, energy security and SD
- ❁ Facilitate climate-friendly energy policies
  - through sharing good practices like setting RE/EE targets & standards, developing guidelines for integration of climate concerns in energy policies
- ❁ Provide effective operational support to mainstream climate risks in development agenda
  - through maintaining a registry of SD-PAMs and identifying PAMs with synergies or tradeoffs between SD benefits and GHG mitigation.
- ❁ High attention in bio-fuels, but competition with food supply and increasing reliance on oil
- ❁ Promotion of co-benefits in EE/RE policies, sustainable transport
- ❁ Recognition/reward co-benefits through climate actions

## 2. CDM

- ❁ CDM, despite many shortcomings, is a good tool to mobilize climate-friendly policies and investments
- ❁ Huge potential in CDM in Asia: 62% in number, 77% in CERs (Among 1,035 registered CDM as of 1 May 2008)  
→ Source of future regional ETS market?
- ❁ Provide an early, credible signal on continuity of CDM and ensure the value of CERs after 2012
  - unilateral declaration by Annex I to extensively utilize post-2012 CER
  - extension of the period of the next commitment to 10 years or more
  - support for post-2012 CERs by multilateral financial institutions

Figure 2.4. Distribution of CER volumes through 2012 from CDM projects in Asia by country (as of May 2008)



Source: IGES CDM project database (<http://www.iges.or.jp/en/cdm/report.html>)

## 2. CDM

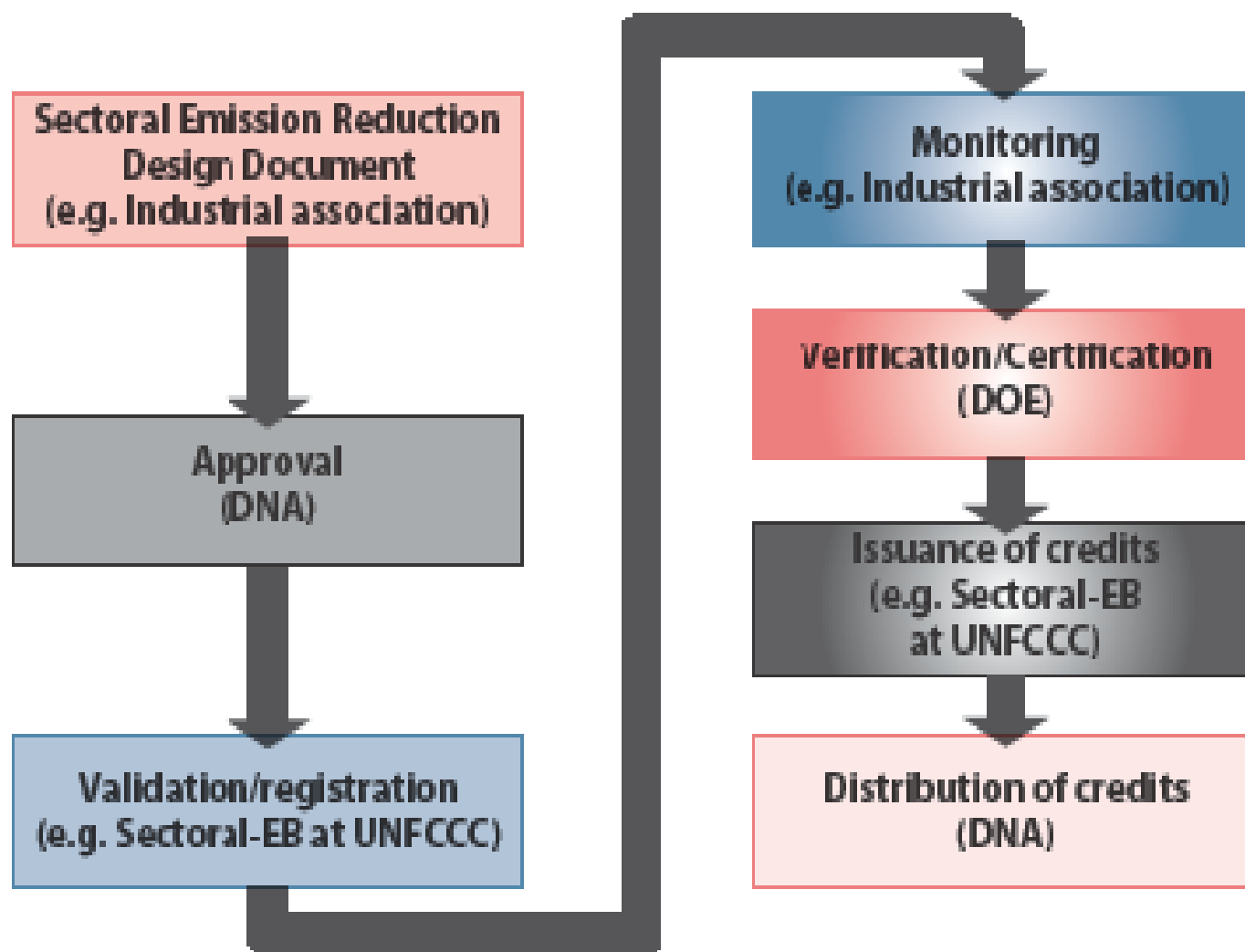
- ❁ Improving SD benefits
  - Quantify and provide financial support for co-benefits of CDM - so that total value of projects with high SD but low CERs (EE/RE) could compete with those yielding high CERs (HFC, Methane)
- ❁ Improving geographical distribution of CDM
  - Expeditionary registration of small-scale projects; support for bundled projects; create carbon funds targeting micro-scale CDM activities in LDCs/SIDS
- ❁ Need for innovative financing approaches to cover underlying finance
  - Strengthen synergies in the private sector between Annex I and non-Annex I countries through bilateral business agreements
  - Utilize ODA for CDM implementation especially during the early stages and in countries that are not attractive to investors from the perspective of project financing
  - utilize multi-source funding to spread risk among institutions
- ❁ Widen the scope of CDM to sector-, programme- or policy-based CDM from 2012

# 3. Sectoral approaches (SA)


- ❁ Good step for a broader engagement of DCs in the post-2012 regime (beyond CDM); starting from steel/aluminium/cement
- ❁ Should not replace economy-wide targets, but complement absolute target of the KP
- ❁ Need for synergies with non-UNFCCC framework (e.g., APP, IISI, WBCSD)
- ❁ Need for institutionalization of SA under UNFCCC, with support from IEA etc. due to lack of expertise of UNFCCC
- ❁ Proposes establishment of voluntary market under the UNFCCC for selling excess credits from SA

# 3. Sectoral approaches (SA)

Figure 2.2 A suggested institutional structure for implementation of sectoral approaches



# 4. Technology

- ❁ Identify options to avoid technology “lock-in” effects in development of new infrastructure
  - ❁ Synergies among the UNFCCC/non-UNFCCC initiatives
  - ❁ Provide options for additional finance through public and private support - to make the currently available technologies commercially competitive
  - ❁ Treat critical low carbon technologies as global public goods and enhance the flexibility of IPR
    - joint ownership of IPRs with developed countries through extensive collaboration in early stages of technology development
    - creation of a multilateral technology acquisition fund to buy-out IPRs and make privately owned, climate-friendly technologies available for deployment in DCs
    - development of an international code for compulsory licensing of low-carbon technologies
- 

# 5. Adaptation

- ❁ More serious impact of CC in Asia, but limited Adaptation measures taken: Few examples of development of NAPA and specific actions
- ❁ Mainstreaming Adaptation into development planning both at policy/operational levels through EIAs/SEAs and explore synergies with disaster risk management and MDG achievement plans
- ❁ Separate adaptation protocol
- ❁ Greater emphasis on adaptation by building on existing financial mechanisms/broadening funding (e.g., Asian catastrophic risk insurance facility)
- ❁ Develop flexible but clear guidelines to access adaptation funds
- ❁ Facilitate the use of market mechanisms and create incentives to promote private sector involvement