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PREPAREDNESS FOR EMISSIONS TRADING IN THE EBRD REGION (PETER)

THOMSON REUTERS POINT CARBON ADVISORY SERVICES

PROJECT INTRODUCTION

SUMEET MANCHANDA, DIRECTOR
FEBRUARY 3, 2015

POINT CARBON

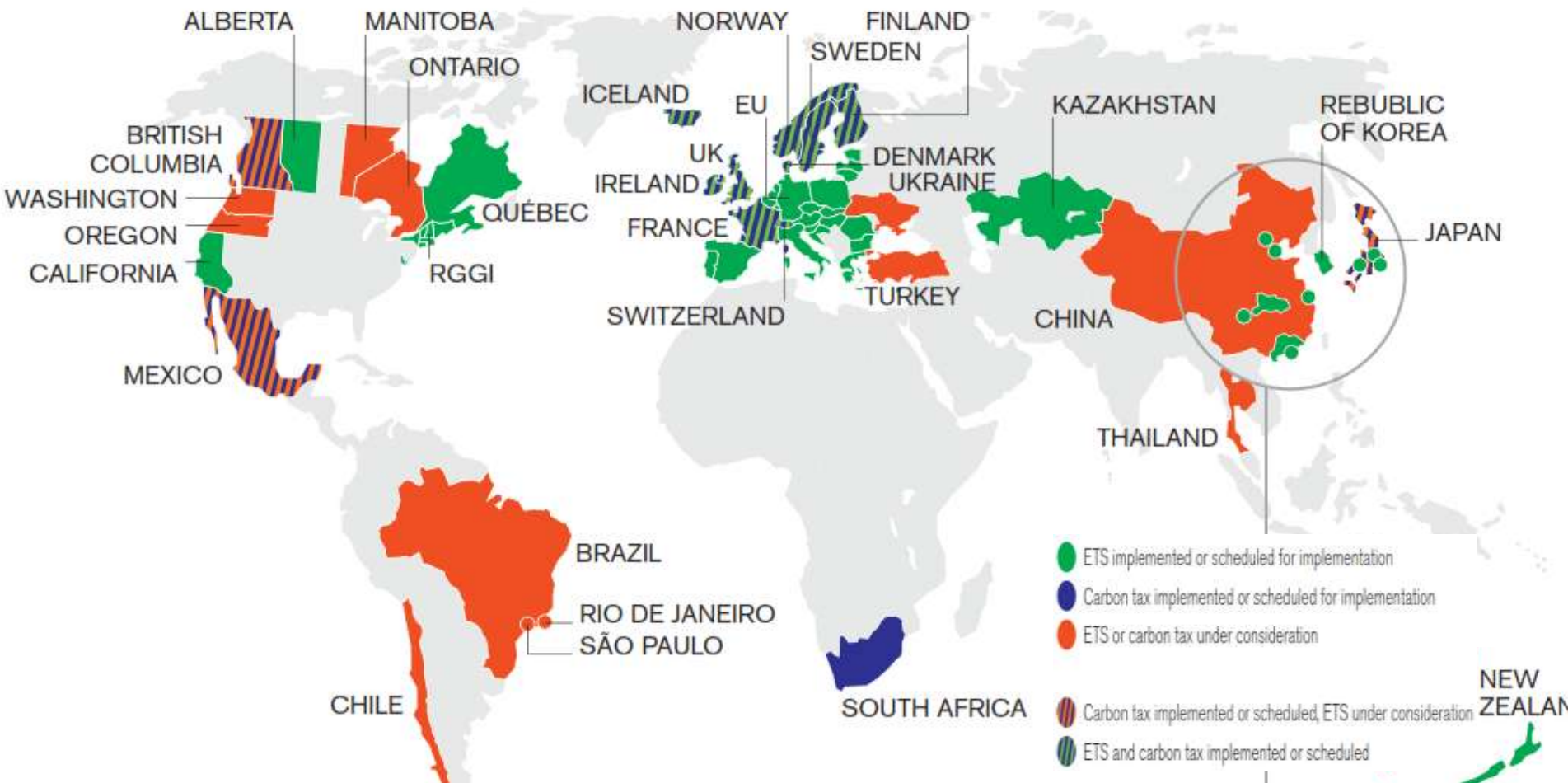


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AGENDA

- Context - status of global carbon markets
- PETER project introduction
 - Objectives
 - Analysis completed under the project

USE OF CARBON PRICING INCREASING GLOBALLY



Source: Adapted from World Bank, *State and Trends of Carbon Pricing, 2014*

INTERNATIONAL NEGOTIATIONS/ OUTLOOK

- Joint China-US announcement injected momentum into climate talks
- Over \$10bn provided to Green Climate Fund in 2014
- All Parties to communicate Intended Nationally Determined Contributions (INDCs) by 1 April. Many parties will include carbon trading as means of achieving contributions.
- Increased use of linking between geographies/ instruments/ sectors is likely in medium to long term.

PREPAREDNESS FOR EMISSIONS TRADING IN THE EBRD REGION (PETER)

Objective: To assist the Kazakhstan and Ukraine governments in –

- Understanding costs, benefits of domestic ETS
- Analyzing options and criteria for linking with external ETSs such as EU ETS
- Identifying potential road maps towards implementation of domestic ETS, plus linking with other ETS
- Increasing preparedness and providing practical tools for discussions with external partners on linking carbon markets

PROJECT SPONSOR



European Bank
for Reconstruction and Development

CONSORTIUM

Lead Partners



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Other Partners

BAKER & MCKENZIE

CL
Carbon Limits



PROJECT WEBSITE: www.ebrdpeter.info

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Preparedness for Emissions Trading in the EBRD Region

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More EBRD carbon market initiatives



Project Supported By



European Bank
for Reconstruction and Development



REUTERS/Rick Wilking

The PETER project aims to help the governments of Ukraine and Kazakhstan to:

- Understand the costs and benefits of domestic cap-and-trade regimes, compared to other instruments of climate mitigation policies;
- Analyse cap-and-trade options, and criteria needed to link any domestic emissions trading scheme (ETS) with other emissions trading schemes, such as the EU ETS;
- Identify potential road maps towards:
 - implementation of a domestic cap-and-trade scheme
 - linking with external cap-and-trade schemes
- Increase preparedness and provide practical tools to create a platform for possible discussions with external partners on linking carbon markets.

[Read more](#) >

NEWS

New USAID Program supports Kazakh leadership on climate change

04 February 2014

In January, the Kazakhstan Climate Change Mitigation Program (KCCMP), officially launched to help Kazakhstan achieve long-term, sustained reductions in greenhouse gas emissions intensity.

[Read More](#) >

EBRD assists the Russian government in carbon market development

21 October 2013

In response to a request by the Russian Government, the European Bank for Reconstruction and Development (EBRD) assists in development of the Russian carbon market.

[Read More](#) >

PETER Project Phase II launched

17 September 2013

Responding to requests from the Governments of Kazakhstan and



PETER PROJECT PHASE 1 (COMPLETED PREVIOUSLY)

RATIONALE

- Carbon pricing policy analysis and comparison
- General analysis of linking options
- Logical Framework for ETS development

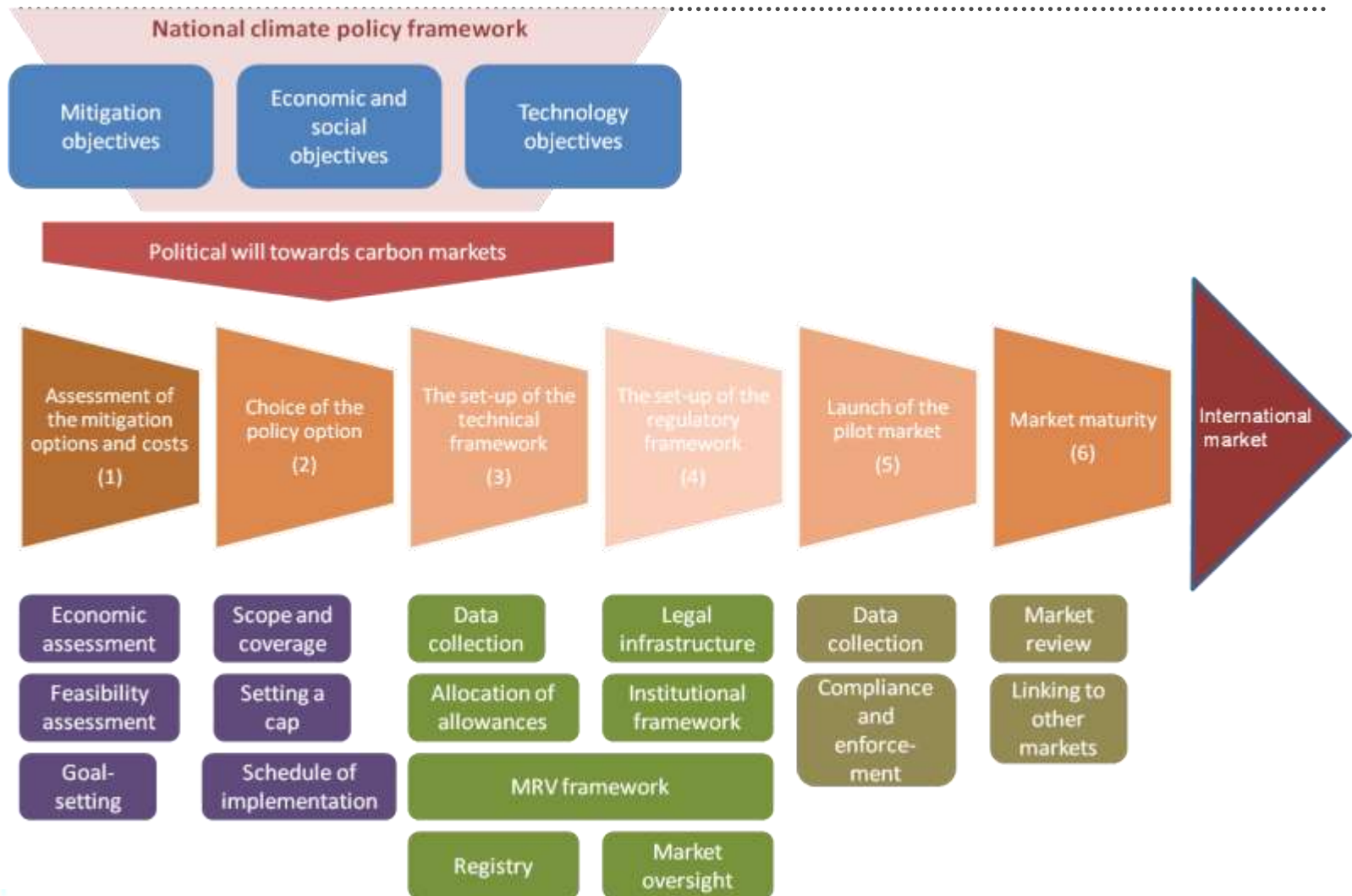
STATUS REPORTS

- Preparedness analysis
 - Legislative
 - Technical
 - Political
 - Institutional
 - Market

ETS COMPARISON

- Scope, caps
- Rules: auctioning, allocation, banking, etc.
- Institutions
- Offset markets
- Tradability, linking options

LOGICAL FRAMEWORK FOR ETS DEVELOPMENT



PETER PROJECT PHASE 2 ANALYSIS IN REPUBLIC OF KAZAKHSTAN

COSTS AND TARGETS

- Abatement potential and costs
- Implications of different caps
- Options to decrease costs of meeting targets

LINKING OF ETS

- Comparability and compatability
- Linking options
- Template MoU
- Template Term Sheet

OTHER ANALYSIS

- Proposed Improvements to Ecological Code draft
- Guidance on allocation methodologies

We will present and discuss the results of this work today.

THANK YOU!

Sumeet Manchanda

Director, Point Carbon Advisory

Sumeet.Manchanda@thomsonreuters.com

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