

Outlook for the carbon market post Copenhagen and post 2012



While the United Nations Framework Convention on Climate Change (UNFCCC) sets out since 1994 the overall goal of "stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system", it was only with the ratification of the Kyoto Protocol in February 2005 that the world community agreed for the first time on binding reductions of greenhouse gas emissions. In parallel, the European Union greenhouse gas Emission Trading System (EU ETS) started operations in January 2005, being the largest multi-country, multi-sector greenhouse gas emission trading system world-wide. Hence, a new market for a commodity called "carbon credits" emerged.

With currently more than 2,000 projects registered, the Clean Development Mechanism (CDM), i.e. one of the schemes under the Kyoto Protocol allowing emission reduction projects in developing countries to earn carbon credits, is acknowledged to be highly effective in combating climate change. Its role after 2012, however, when the first commitment period of the Kyoto Protocol ends, is currently very uncertain. The last Conference of the Parties under the UNFCCC at its fifteenth session (COP 15) in Copenhagen by the end of 2009 was unable to provide the much needed clarity in regard to the post 2012 period, and it is also uncertain whether this will happen in the near future, e.g. at COP 16 in Mexico by the end of 2010.

With this background, the seminar will focus on the general outlook on the carbon market post Copenhagen and post 2012. An introduction on basic carbon terminology will be followed by reviewing the current positions of the major economies and carbon emitters (EU, US, Japan, Australia, BRIC countries, etc.), leading to quantitative demand-supply scenarios for international carbon credits up to the year 2020. The last part will characterize in more details the likely buyers and sellers of carbon credits, and draft price trends for the post 2012 period.

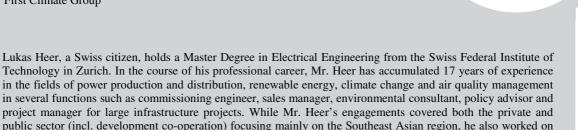


Friday, 30 April 2010 10.30 am - 12.00 pm ISEAS Seminar Room II



Lukas Heer

Regional Manager Southeast Asia First Climate Group



First Climate is a leading European Carbon Asset Management company. With 14 offices worldwide and more than ten years' experience in the carbon market, the company is one of the few intermediaries which covers the entire carbon credit value chain. First Climate develops, finances, and implements Clean Development Mechanism, Joint Implementation, and Verified Emission Reductions (VER) projects, purchases the resulting carbon credits, and customizes trading solutions for companies subject to the European Emission Trading Scheme. As investment advisor to several institutional investors, First Climate structures and develops carbon funds and related products, including the first-of-its-kind Post 2012 Carbon Credit Fund. In the voluntary market, the company provides VERs verified according to the highest international standards. First Climate is one of the main sponsors of the Gold Standard (Version 2).

short-term assignments in Eastern Europe, Africa and Central America. Mr. Heer is based in Singapore since January 2009, where he built up and now heads the Origination Team Southeast Asia of First Climate Group.



About the speaker