

Featured Analysis

Nowadays, carbon trading market has become the most prevalent tool for tackling climate change globally; national carbon markets around the world are blooming and growing. However, with international carbon price sliding and offsetting mechanism such as CDM dwindling, the international carbon market driven by the Kyoto Protocol is stuck into stagnancy and a new round of reform and restructuring is under way. On one hand, with the launching of the new round of climate negotiations the international community is designing new models and arrangements for the future carbon market in a top-down manner; On the other hand, considering the complexity and sensitivity of international negotiations, World Bank came to realize the importance of “bottom-up” approach: supporting more countries to build their own carbon market mechanism, enhancing communication and coordination in technical standards and methodologies and finally prompting an integrated carbon market at the international level. For this purpose, during the Cancun Climate Conference held in November 2010, World Bank announced the initiation of Partnership for Market Readiness (PMR), which targeting at “shaping the next generation of global carbon markets” . PMR is designed to provide grant funding for the establishment of a market-based emission reduction mechanism in developing countries and put in place an experience-sharing platform, which could help developing countries build their capacity in the carbon market for emission reductions.

This section presents a comprehensive and in-depth analysis of PMR mechanism by systematically introducing its objective, organizational structure, decision-making mechanism, funding mechanism and application procedure. It focuses on major progress

made by 16 developing countries in their participation in PMR and makes a thorough comparative analysis of those countries’ PMR project proposal. This article does not only help readers to understand plans and latest development of carbon market building in participating countries, but also introduces the framework, pathway and key issues of China’ s unified national carbon market by systematically analyzing China’ s PMR design.

Low Carbon Policy

• **International focus**

The Assessment Reports on Climate Change released by Intergovernmental Panel on Climate Change (IPCC) have exerted significant influence over international climate negotiations and are hailed as the “second line of defense” in international negotiations. This article concentrates on introducing the history and editing process of the IPCC Assessment Reports and its role and meaning in addressing climate change. Meanwhile, in the context of Durban negotiations, this article introduces the progress of the fifth IPCC Assessment Report, including new focus and analysis methodologies, as well as how the fifth report would affect the new round of climate negotiations and future global carbon policies.

This section also makes detailed introduction to EU’s tightened vehicle carbon emission standards and UK’s carbon price floor applied to the power industry.

• **China Focus**

This section continues to track the development of China’ s domestic carbon trading pilot programme and low carbon policies. It begins by making an overall description on the progress and working plan of China’ s voluntary emission trading programme. Then a detailed analysis on the latest development, basic infrastructure and current task of

carbon trading pilots has been made. On such a basis, this section further sort out and summarizes the recently released domestic low carbon policies and government planning, with a particular focus on Interim Measures for the Administration of Low-Carbon Product Certification and the first batch of GHG voluntary emission reduction methodologies.

Carbon Market

- **Global Carbon Market**

This section summarizes the transaction volume and value of the global carbon market (EU ETS, CDM, JI and North America market) in 2012 and analyzes the global carbon market trend in 2013.

- **EU Carbon Market**

This section tracks the market data and information of EU ETS from January to April, 2013 and provides an comprehensive analysis on the impact of veto by European Parliament to the “backloading” proposal to boost the EU carbon market.

- **North America Carbon Market**

This section first introduces the progress on California carbon market and its auction in February 2013. Then it analyzes the secondary market data from November 2012 to April 2013. It also introduces the latest two auctions held by Regional Green House Gas Initiative (RGGI) and conducts an in-depth analysis of changes taking place in the RGGI market against the background of RGGI reform plan.

- **CDM market**

This section summarizes the latest development of CDM projects registered and issued across the world from December 2012 to April 2013. It presents the Programs of Activities of CDM plans in the pipeline and their progresses. It also introduces the Bilateral Offset Credit Mechanism (BOCM) initiated by the Japanese government and makes a comparison with the CDM mechanism.

Low Carbon in Sectors

- **Aviation**

This section introduces aviation carbon emission data, which submitted by EU aviation industry for the first time. Then it reports the progress of International Civil Aviation Organization in developing new aircraft CO₂ emission standards and its latest activities.

- **Forestry**

This section introduces the development of forest carbon sinks in both global and domestic markets, sorts out China’ s policies and regulations concerning forest carbon sinks, and provides an analysis and outlook on the development opportunities for forest carbon sinks.

- **Hotel**

This section analyzes the GHG emissions of China’ s hotel industry. Based on the interview with Shangri-La Hotel, this article introduces actions Shangri-La take in addressing climate change, and uses it as an example to analyze the domestic carbon trading policy environment, opportunities and challenges hotel industry facing.

- **IT**

This section describes the low carbon development trend of data center and affords some implementation suggestions, lists pros and cons of energy saving solution and renewable energy solution, and briefs the international trend of green data centers.

Low Carbon Development in Regions

NDRC published the name list of the second batch low carbon piloting provinces and cities on December 5, 2012. Under this background, this article examines the second batch piloting project implementation plans and groups participating cities into three categories according to their economical and social development as well as their willingness to go low carbon, sorts out key actions plans and related targets, and summarizes their common features and existing problems.