The Andean Center for Economics in the Environment
F A I R T R A D E C D M

DESARROLLO DEL MERCADO INTERNACIONAL DE CERTIFICADOS DE EMISIONES REDUCIDAS (CER) HACIA EL 2020

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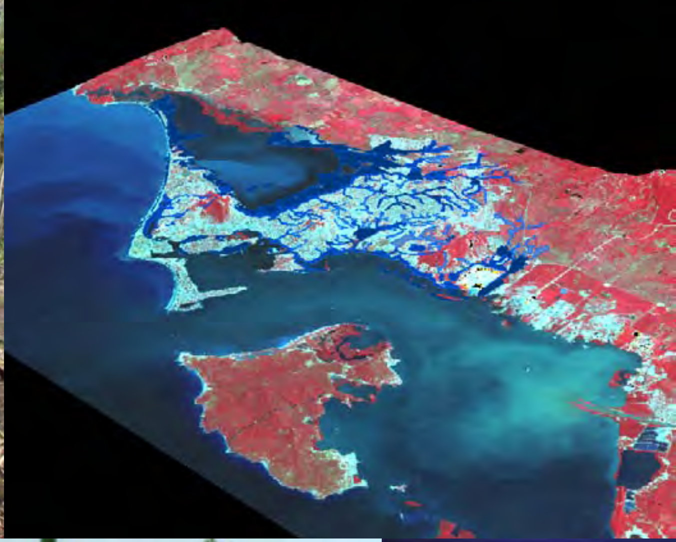



CAEMA
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CLIMATE CHANGE SECTOR ASSESSMENT FOR COLOMBIA

UNITED STATES AGENCY
USAID
INTERNATIONAL DEVELOPMENT

November 2010

Filo de Agua Santa Ana: E.A.A.B.
24.000 CER / Año vendidos precio Spot

Colombia's palm growers turn methane into gold

By Naomi Mapstone in Santa Marta

Published: December 3 2009 11:13 | Last updated: December 3 2009 11:13

Walter Ritzel is surveying a putrid, Olympic swimming pool-sized pond of rotting palm fruit debris at the Tequendama palm oil plant in Colombia's far north, with a look of almost paternal pride.

"We are going to turn this," he says, arcing his hand enthusiastically over the gently simmering brown foam, "into euros".

The gas that is giving this pond its fizz is methane, and Colombia's palm oil producers have found a way to turn it into almost €10m a year in extra revenues through carbon trading.

Banding together to create the first sectoral project under the United Nations' Clean Development Mechanism (CDM), they reckon

EDITOR'S CHOICE
Cars, bulbs and buildings key to carbon cuts - Dec-02

DAABON

Planta Tequendama Santa Marta

70 Mil CER/Año

21 años

ACEITES MANUELITA Cogeneraciòn con Biomasa y Metano 60.000 CER/Año

SOMBRILLA MDL FEDEPALMA: Primer Proyecto Sectorial Registrado en el mundo: 752.000 CER/Año

PROCUENCA MANIZALES: Primer Proyecto Forestal MDL Registrado por Colombia

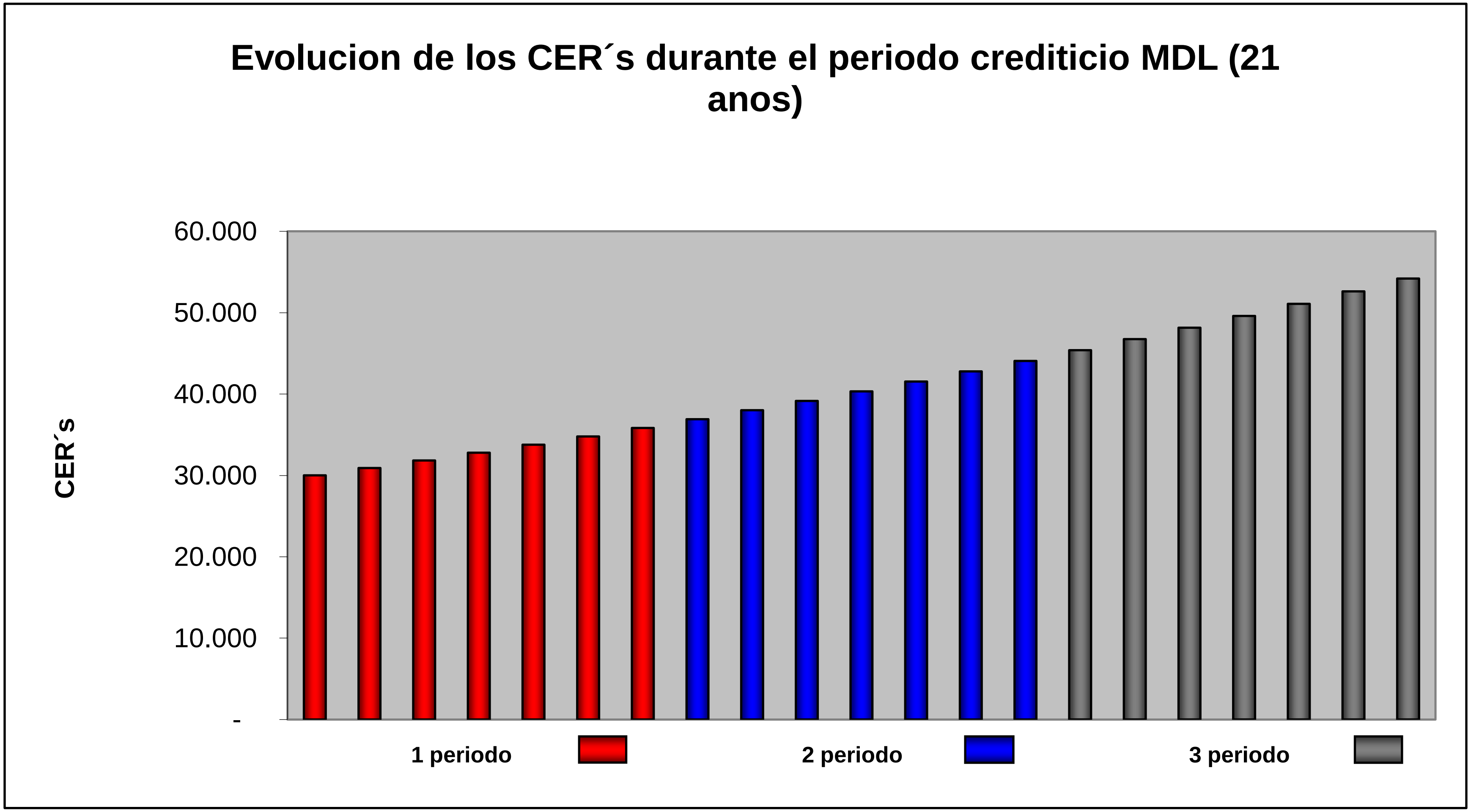
1.7 millones de tCERs en 20 años, 4,800 Ha.

SOMBRILLA MDL 3.000 Ha, Vichada
Restauracion Natural Asistida, con MDL

Contenido

- Historia y Estado Actual del Mercado de CER
- Cambios políticos y regulatorios que afectarán estructuralmente el mercado de CER hacia el 2020
  - Demanda
  - Oferta
- Estimaciones de la Gran Banca Europea sobre la evolución de precios de CERs hacia el 2020
- Implicaciones para Políticas, Programas, POAs, y proyectos MDL ya formulados y proyectos por formular

Generación de CER por 21 años en un Proyecto MDL Colombiano de mitigación de metano



Ingresos por venta de CERs en tres escenarios de precio, MDL Opción I. Inversión US$850,000

ANO	CERS	Escenario alto US$20	Escenario medio US$15	Escenario bajo US$10
1	30.000	600.000	450.000	300.000
2	30.900	618.000	463.500	309.000
3	31.827	636.540	477.405	318.270
4	32.782	655.636	491.727	327.818
5	33.765	675.305	506.479	337.653
6	34.778	695.564	521.673	347.782
7	35.822	716.431	537.324	358.216
8	36.896	737.924	553.443	368.962
9	38.003	760.062	570.047	380.031
10	39.143	782.864	587.148	391.432
11	40.317	806.350	604.762	403.175
12	41.527	830.540	622.905	415.270
13	42.773	855.457	641.592	427.728
14	44.056	881.120	660.840	440.560
15	45.378	907.554	680.665	453.777
16	46.739	934.780	701.085	467.390
17	48.141	962.824	722.118	481.412
18	49.585	991.709	743.781	495.854
19	51.073	1.021.460	766.095	510.730
20	52.605	1.052.104	789.078	526.052
21	54.183	1.083.667	812.750	541.833
Total		**17.205.891**	**12.904.419**	**8.602.946**

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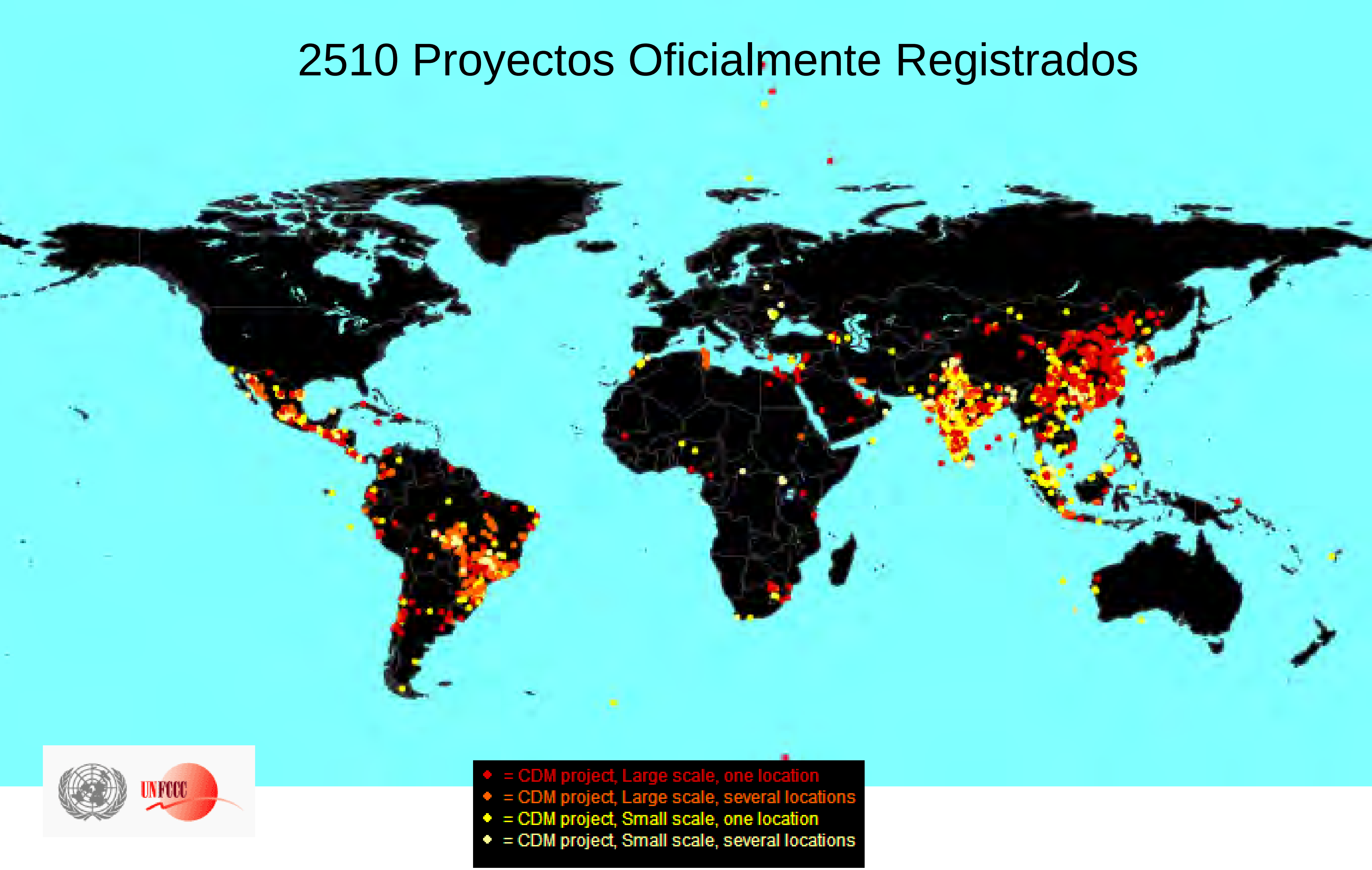
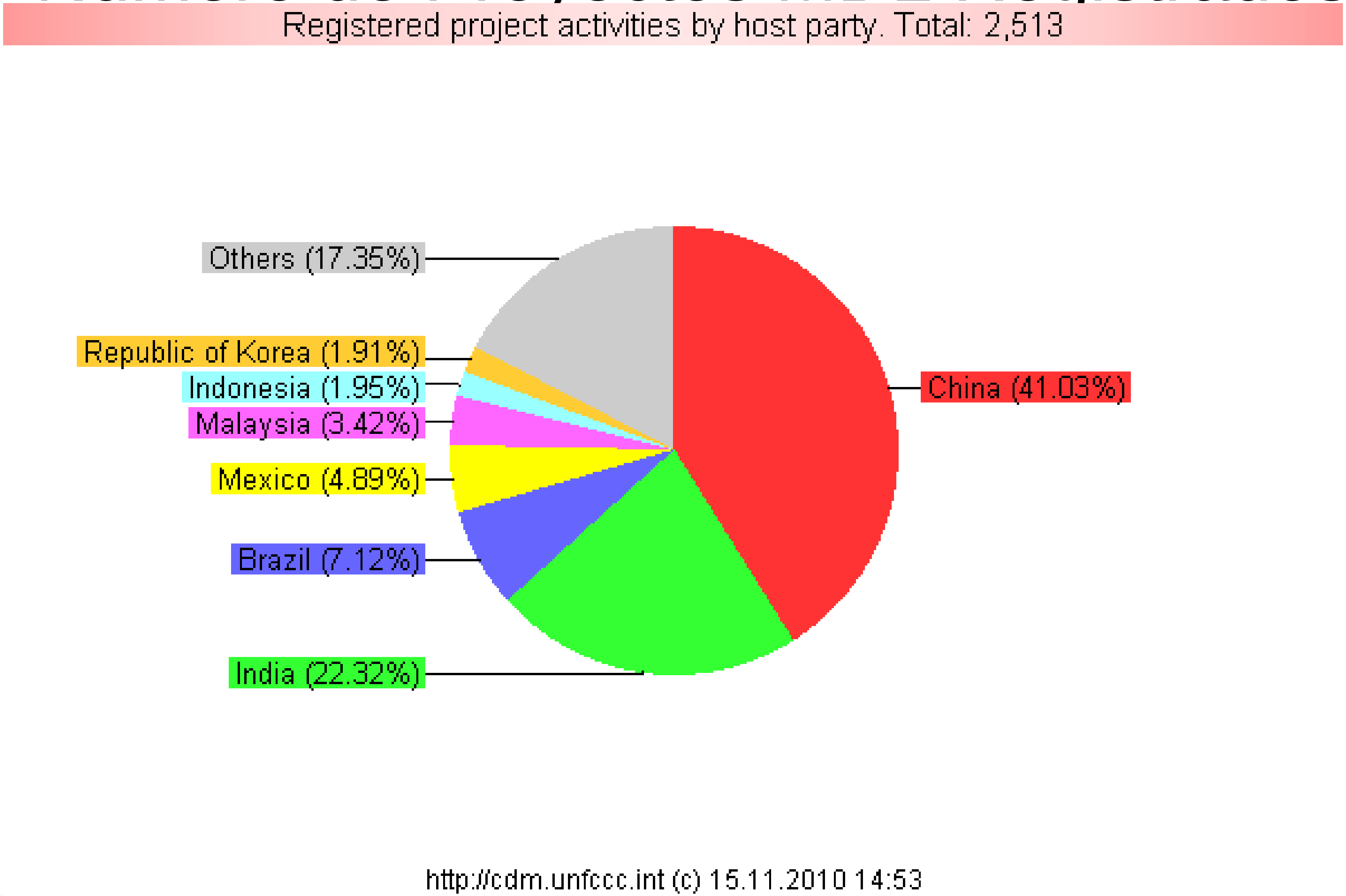
F A I R T R A D E C D M

Historia y Estado Actual del MDL

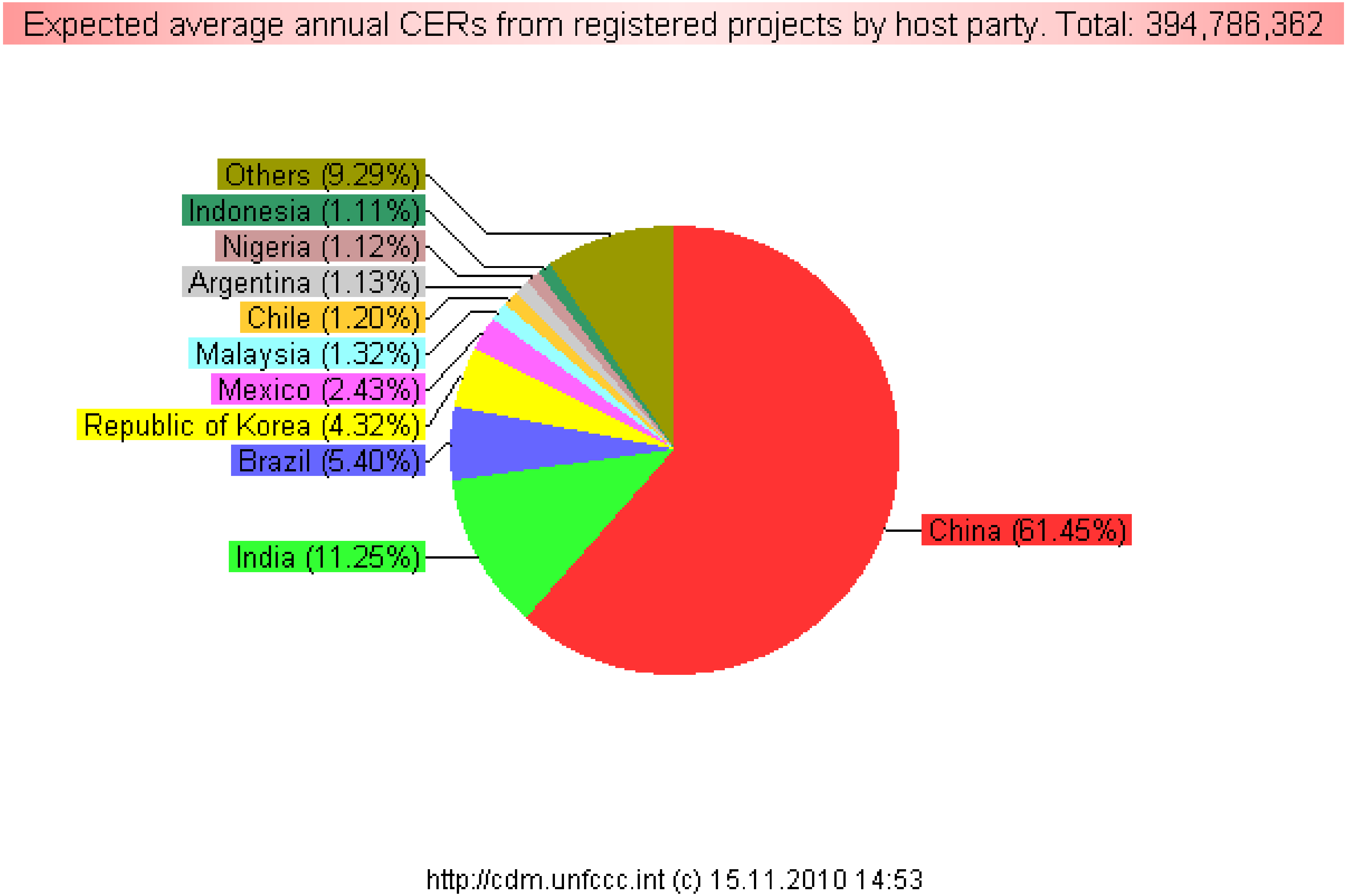
CHINA, INDIA, BRASIL, MEXICO con fuertes inversiones MDL y expectativas de mercado CER hacia 2030 – y los defienden



Numero de Proyectos MDL Registrados



Flujo Anual de CER por Pais



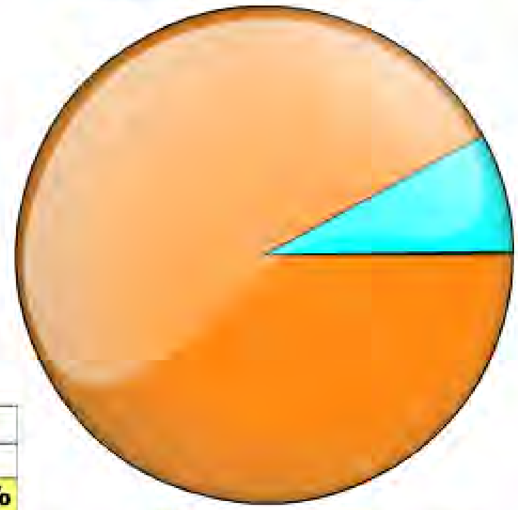
Consolidación Institucional – Mercado Europeo CERS

European Exchange-Traded CER Volumes

SELECT PERIOD

- Feb-10
- Jan-10
- TOTAL 2009
- Average 2009
- Dec-09
- Nov-09
- Oct-09
- Sep-09

Exchange Breakdown



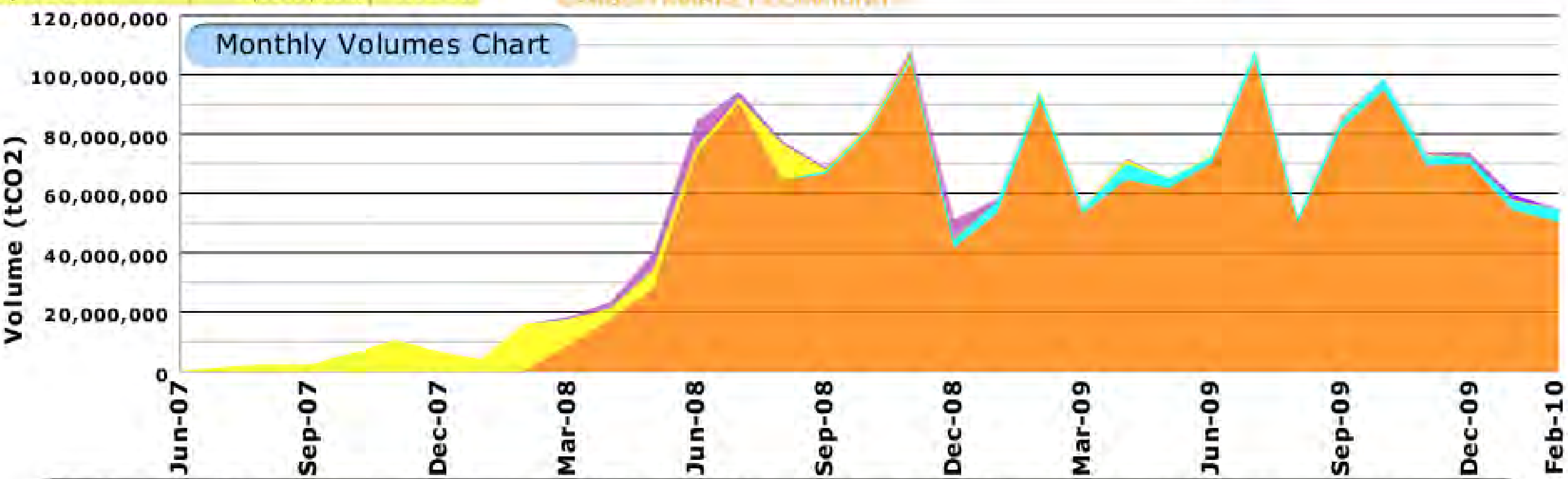
THOMSON REUTERS

CARBON MARKET COMMUNITY

ECX/ICE	**50,412,000**
Futures Screen	13,761,000
Futures Cleared	30,553,000
Options	5,350,000
Spot Screen	583,000
Spot Cleared	165,000
Bluenext	**4,253,000**
Spot Screen	1,953,000
Spot Cleared	2,300,000
Futures	0
Nord Pool	**95,000**
Forwards Screen	10,000
Forwards Cleared	85,000
EEX	**5,000**
Futures Screen	5,000
Futures Cleared	0
Climex	**0**
Spot Exchange	0
Spot OTC	0
NYMEX Green Exch.	**25,000**
Futures	25,000
Options	0

Contract Breakdown

PERIOD	TOTAL VOLUME	
Feb-10	54,790,000	
Futures OTC	30,638,000	55.9%
Futures Screen	13,801,000	25.2%
Spot	5,001,000	9.1%
Options	5,350,000	9.8%



Exchange Websites: www.ecx.eu, www.nordpool.com, www.bluenext.fr, www.eex.de, www.greenfutures.com, www.climex.com

http://communities.thomsonreuters.com/swf/swf.html?loc=/ClientFiles/f902585e-d11e-456e-b5ac-2d78d0af4ae9/FlashSpreadsheets/010310CERExchStats.swf

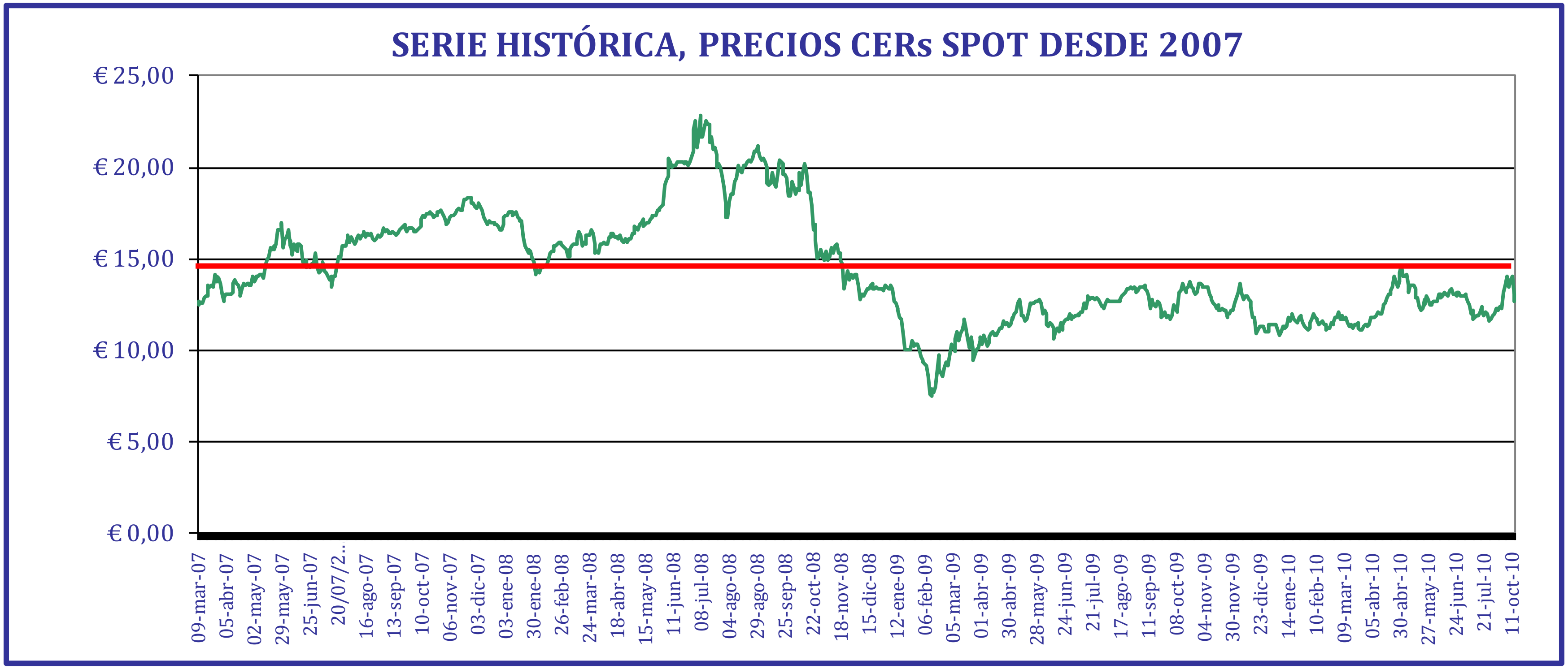
Table 1: Transaction Volumes and Values, Global Carbon Market, 2008 and 2009				
	Volume ($MtCO_2e$)		Value (US$ million)	
Markets	**2008**	**2009**	**2008**	**2009**
Voluntary OTC	57	51	420	326
CCX	69	41	307	50
Other exchanges	0.2	2	2	12
Total Voluntary Markets	**127**	**94**	**728**	**387**
EU ETS	3,093	6,326	100,526	118,474
Primary CDM	404	211	6,511	2,678
Secondary CDM	1,072	1,055	26,277	17,543
Joint Implementation	25	26	367	354
Kyoto [AAU]	23	155	276	2,003
New South Wales	31	34	183	117
RGGI	62	813	241	2,667
Alberta's SGER	3	5	34	61
Total Regulated Markets	**4,713**	**8,625**	**134,415**	**143,897**
Total Global Markets	**4,840**	**8,719**	**135,143**	**144,284**

Source: Ecosystem Marketplace, Bloomberg New Energy Finance, World Bank.

Note: Figures may not add up due to rounding.

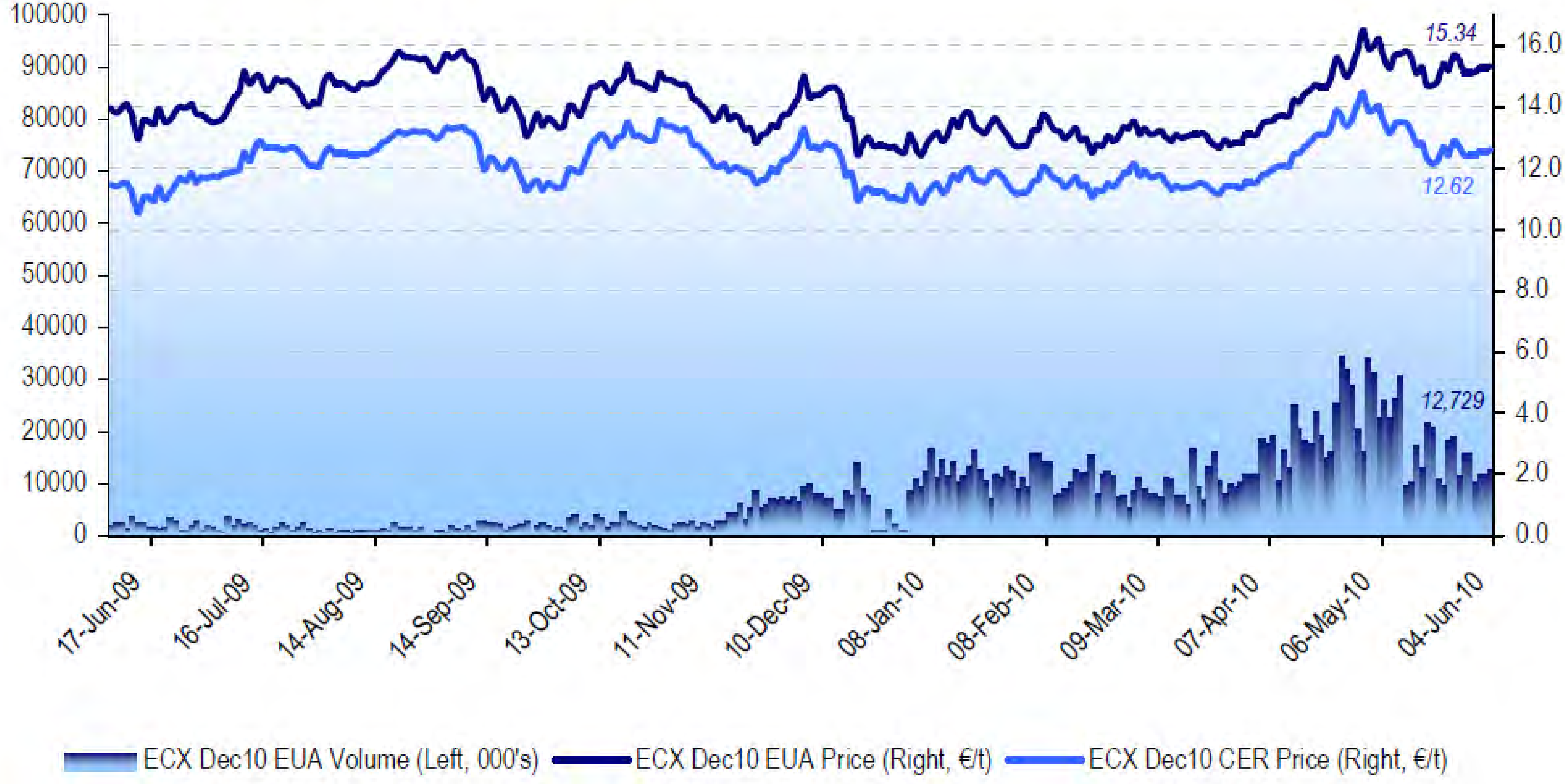
Precios Spot CER Durante Kyoto I / ETS II
(Feb. 2007- 2010)

fuente: Reuters Carbon



	euro	dollar
Promedio	**€ 14,40**	$ 20,01
Max	**€ 22,85**	$ 31,98
Min	**€ 7,48**	$10,48

Precios CER Históricamente se transan entre 85-89% de precios EUA



Precios Actuales

Primary CDM	€
Post PIN, Pre PDD, HC Approval	7.00-9.25
At Validation	9.25-10.50
Registered & Non-Guaranteed	10.50-11.00
Guaranteed	11.50-12.00
Post 2012	75-90% sCER
Exchange Prices	**€**
Spot CER	12.10
Spot EUA	14.16
ECX DEC 10 CER	12.09
ECX DEC 10 EUA	14.24
ECX DEC 12 EUA	15.04
Spot EUA - CER Spread	2.06
Voluntary Emission Reductions	**€**
VERs - High Quality	1.00 - 3.50
VERs - Low Quality	0.5 - 1.00

Source: ECX, BNX and CF Partners at 08/11/2010

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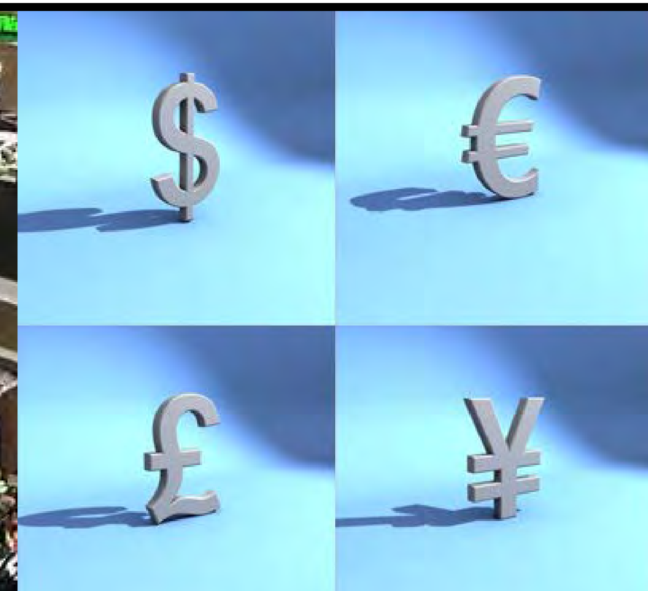
MIRANDO HACIA EL FUTURO :
EL MERCADO DE CER - M.D.L.
AL AÑO 2020

Thomas Black Arbeláez, Director CAEMA



Variables Principales del Mercado de CER a 2020

1. Nivel de metas vinculantes de reducción de los países industrializados hasta el 2020 (Unión Europea, Japón)
2. Nivel de costos marginales de reducción internos en los países demandantes
3. Nivel de crecimiento económico en países industrializados
4. Nivel de oferta de CER de los países en desarrollo
5. Política <u>de importación de créditos vs acción domestica en mercados demandantes de CER (UE: 50% del esfuerzo)</u>
6. Política de exclusión por tipo de CER (HFC)

Tendencias en la demanda por CER hacia el año 2020

- USA afuera del mercado. Senado USA no pudo consolidar legislación y mercado para controlar CO2e. Elecciones dieron mayoria a partidos anti-mercado de carbono. Demanda por CER de USA seguirá latente por muchos años……California se posiciona…..

- Mercado Japonés vigente, son grandes compradores, prometiendo legislación para implementar un sistema de mercados para controlar CO2 hacia el 2020.

- LA UNION EUROPEA : LA GRAN FUENTE DE DEMANDA POR CER DESPUES DE 2012

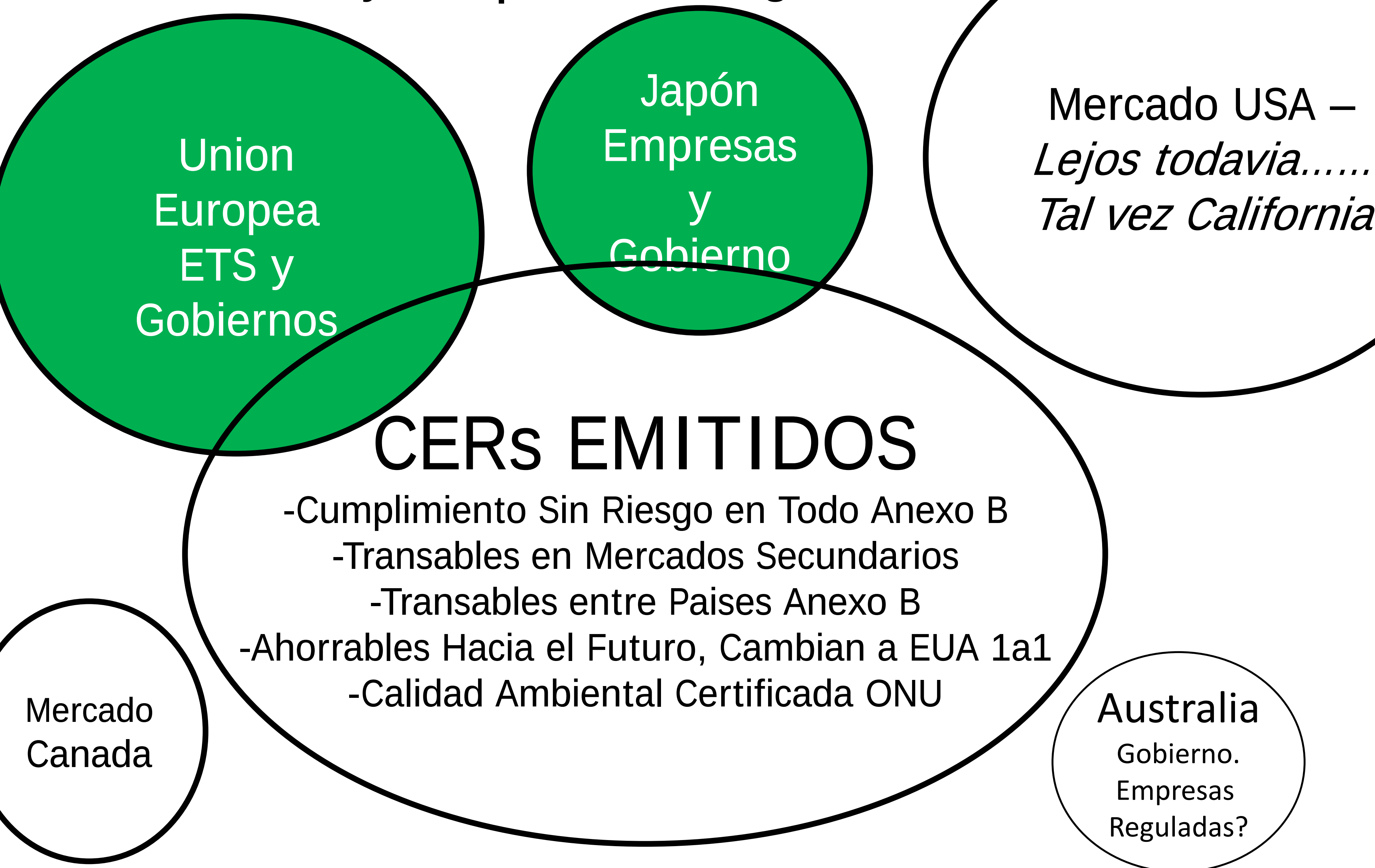
UNFCCC seguirá administrando MDL y generando CERs hacia el futuro

- Con o sin acuerdos sobre nuevas metas nacionales de reducción en UNFCCC,
- UNFCCC seguirá administrando el MDL
- Seguirá desarrollando metodologías
- Seguirá emitiendo CERs

Christiana Figures, Presidente de la Conferencia de las Partes UNFCCC

FUENTES DE DEMANDA POR CER

Gobiernos y Empresas Reguladas del ANEXO B



Cambios Estructurales en la Demanda de CER de la Unión Europea 2012-2020

Escenarios Principales del Mercado de CER a 2020

A. No hay nuevo Acuerdo UNFCCC

DEMANDA

- USA, Canadá, no se comprometen a metas.
- Unión Europea, Japón desarrollan metas autónomas "a solas".
  - U.E.: 1990-20%
  - Japón: 1990 – 20%

OFERTA

- Unión Europea no permite importar CERs de HFC23.
- Unión Europea solo permite importar CERs de proyectos Registrados antes de Dic 2012, y de países mas pobres.

B. Sí hay nuevo Acuerdo UNFCCC

DEMANDA

- Unión Europea, Japón desarrollan metas **más ambiciosas**.
  - U.E.: 1990-30%
  - Japón: 1990 – 25%

OFERTA

- Unión Europea no permite importar CERs de HFC23.
- Unión Europea sí permite importar CERs de proyectos Registrados antes y después de Dic 2012

ETS directive 2009

- Here is the Article 11a(3) text:

“ …competent EU authorities shall allow operators to exchange CERs from projects that were registered before 2013, issued in respect of emissions reductions from 2013 onwards, for EU allowances valid from 2013onwards.”

Legislación de la Unión Europea (ETS – III) regula las metas al 2020 y la cantidad de CERS que empresas pueden importar de países en desarrollo

EU DIRECTIVE Establishing a Scheme for Greenhouse Gas Emission Allowance Trading Within The Community **Council Directive 61/EC**
Cap 4, Art. 11ª, pg 25, Num 8

"Measures shall ensure that the overall use of CERs allowed does not exceed 50 % of the Community-wide reductions below the 2005 levels of the existing sectors under the Community scheme over the period from 2008 to 2020".

Cuota de Importación de Certificados 2013-2020 U.E.

Table 5: Phase III credit import quota – existing and new sectors and gases ($MtCO_2e$)

	2013	2014	2015	2016	2017	2018	2019	2020	Phase III total
2005 emissions	2,306	2,306	2,306	2,306	2,306	2,306	2,306	2,306	18,448
Annual phase III cap	1,974	1,937	1,901	1,865	1,829	1,792	1,756	1,720	14,774
Reduction effort	332	369	405	441	477	514	550	586	3,674
Import quota	**166**	**184.5**	**202.5**	**220.5**	**238.5**	**257**	**275**	**293**	**1,837**

Source: European Commission; IDEAcarbon

Total Cuota de Importación de Certificados, U.E., incluyendo nuevo sector de aviación

Table 6: Phases II and III credit import quota – existing and new sectors and gases ($MtCO_2e$)

Phase II import quota	**233**
Phase III import quota - all sectors	1,837
Aviation import quota	47.3
Phase II and III total credit import quota	**2,117**

Source: European Commission; IDEAcarbon

Demanda Annual Potencial de CER 2013 - 2020

En verde: Regulación consolidada

En Amarillo: Regulación pendiente de proceso legislativo

País	Nivel de Compromiso	Demanda **CERS / año**
EU ETS III Sector Regulado	20%	162- 293 Mn
Gobiernos Unión Européa	Responde por emisiones de sectores no regulados (agr, bosques, transporte)	100
Japón Gobierno y empresas reguladas	25%	225 Mn
Australia	Entre 5 y 25%, dependiendo en voluntad de India y China	20 – 100 Mn
Canada	Igual que USA (4% frente a 1990)	50 Mn
EEUU	4% frente a 1990	200-400 Mn?

Estimaciones de la Gran Banca Europea sobre la evolución de precios de CERs hacia el 2020

Some UN Carbon Credits May Face 50% Discount, New Energy Says

By Mathew Carr - Oct 25, 2010 3:17 AM GMT-0500

The United Nations emissions market will break into two distinct classes as early as this year, setting up some credits for discounts of as much as 50 percent by 2016, according to analysis by Bloomberg New Energy Finance.

UN Certified Emission Reduction credits valid under the next phase of the European Union carbon market may rise to about 24 euros ($33.40) a metric ton by 2016 from 12.92 euros today, according to a forecast by Aimie Parpia, an analyst in London at Bloomberg New Energy Finance, which provides research and data on the carbon markets. Credits banned by the bloc may be valued at about half that much at 12 euros a ton, she predicted.

The European Commission, regulator of the EU market, is expecting to publish a so-called "impact assessment" regarding offset restrictions by November. The commission is seeking to limit the use of credits from projects deemed improperly regulated or yielding excessive profits http://www.reuters.com/article/idUSTRE69O2G820101025

SocGen sees EU CO2 permits 22-60 euros a tonne in 2020

LONDON | Mon Oct 25, 2010 9:21am EDT

(Reuters) - The price of carbon permits under the EU's Emissions Trading Scheme (EU ETS) could range between 22 to 60 euros ($40-$84) a tonne in 2020, analysts at Societe Generale said on Monday.

The EU ETS caps emissions from factories and power plants in the 27-nation bloc using a quota of carbon permits called EU Allowances (EUAs).

Prices in the scheme's second phase (2013-2020) will depend on a global climate deal being signed which spurs the EU to move to a steeper 30 percent emissions reduction goal and limits on Kyoto offsets from 2013, SocGen analysts said in a research note.

The EU Commission is still mulling whether to move to a 30 percent emissions reduction target from 1990 levels by 2020 from its current 20 percent goal, which would tighten EUA supply from 2012 and thereby raise prices.

It has said the decision would depend on other countries committing to

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http://www.bloomberg.com/news/2010-10-29/united-nations-carbon-credit-prices-may-rise-by-42-by-2012-barclays-says.html

United Nations Carbon Credit Prices May Rise by 42% by 2012, Barclays Says

By Dinakar Sethuraman - Oct 28, 2010 10:28 PM GMT-0500

Prices of United Nations Certified Emission Reduction credits will increase by as much as 42 percent by 2012 as new rules reduce supplies, Barclays Plc said.

CERs under the UN's Clean Development Mechanism program may rise to about 18 euros a metric ton in two years, and to as much as 25 euros in the third phase of the European Union's carbon- trading plan starting 2013, Trevor Sikorski, a London-based analyst at Barclays Capital, said yesterday. UN CERs for December fell 1.6 percent to 12.69 euros a ton yesterday on London's European Climate Exchange.

The issuance of as many as 30 million tons of CERs under the UN's Clean Development Mechanism may be delayed to next year, cutting this year's supplies by about 30 percent, Sikorski said in an interview at the Carbon Asia Forum 2010 conference in Singapore.

Prices of CERs may average 14.5 euros a ton in the first half of 2011, and 16 euros in the second half, according to a Barclays report on Oct. 21. CDM offsets are currently used for compliance in the European carbon market, the world's biggest.

The UN and the European Union said they may issue new rules on the methodology of http://www.platts.com/RSSFeedDetailedNews/RSSFeed/ElectricPower/8085914

EU carbon price likely to hit Eur37/mt under EU 30% CO2 target

Brussels (Platts)--20Oct2010/649 am EDT/1049 GMT

The price of carbon allowances under the EU Emissions Trading System could more than double to Eur37/metric ton of CO2 equivalent by 2020 if the EU raised its target to cut its emissions by 30% from 1990 levels by then from the existing 20% target, Deutsche Bank analyst Mark Lewis said Wednesday.

He told a Platts EU emissions markets conference in Brussels that the carbon price was expected to rise to Eur30/mt by 2020 if the EU maintains its emissions reduction target at 20%.

Lewis said the impact of a deeper 30% emissions cut on the supply of EU carbon allowances is known, because the European Commission had made clear that the EU ETS cap by 2020 would drop from approximately 1.74 billion mt/yr to 1.34 billion mt/yr under the deeper cut cut.

He said any analysis of the required carbon abatement under the EU ETS had also to take into account the effects of the EU's legally binding targets to boost renewable energy to 20% of final energy use by 2020 and to increase energy efficiency by 20% by 2020.

"The more effective the targets on renewables and energy efficiency, the less abatement will have to be achieved by the EU ETS," said Lewis, Deutsche Bank's managing director of commodities research.

But in practice, the renewables and energy efficiency targets, although legally binding, lack enforcement mechanisms, and this means they may not be met in full, he added.

Carbon trading to rival crude markets: CCX head

Author: Pauline McCallion
Source: Energy Risk | 28 May 2010
Categories: Emissions
Topics: Chicago Climate Exchange, Acid rain, Arbitrage, Carbon trading, Commodities, Crude oil

Carbon trading set to become the biggest commodity market in the world

Carbon trading could soon become the biggest commodity market in the world, Chicago Climate Exchange (CCX) founder Richard Sandor told the Energy Risk USA conference in Houston yesterday.

Emissions are already the largest commodity type traded in Europe, Sandor said, with open interest of around 910,000 contracts compared with the second largest, Brent crude oil, which settled above 800,000 contracts (at 817,977 contracts) for the first time in January this year.

Pointing out that global open interest in emissions is second only to West Texas Intermediate crude oil, Sandor added: "After only a couple of years, emissions trading has become the largest market in Europe; soon it will be the largest in the world . . . These markets will expand. They are currently inefficient, but they are realistic and have great social objectives."

http://www.risk.net/energy-risk/news/1650830/carbon-trading-rival-crude-markets-ccx-head

FAIR TRADE CDM

La Actualidad Sobre el Mercado MDL y CERs

El Boletín del Centro Andino para la Economía del Medio Ambiente

Vol. 10, Nº 3 — Agosto 2010

CONTENIDO

PRINCIPALES INDICADORES

PRECIOS ACTUALES

CER-SPOT	€12,03	US$15,64
EUA-SPOT	€14,05	US$18,26

PRECIOS HISTORICOS CERs

Promedio	€ 14,43	US$18,76
Maximo	€ 22,83	US$29,70
Minimo	€ 7,48	US$9,7

RELACIÓN HISTÓRICA

CERs / EUA:	89,1 %

CONTÁCTENOS

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DIRECTOR DE MERCADOS DE DEUTCHE BANK DISCUTE PRECIOS DE CERs AL 2020

El Sr. Mark Lewis es el Director de Investigaciones de Mercados de Carbono del Deutsche Bank (DB) en Paris. En la entrevista realizada por el CAEMA el pasado 23 de abril de 2010, el Sr. Lewis compartio sus analisis sobre el mercado de CER a largo plazo. Elaboro sobre los cambios regulatorios esperados en la Union Europea (UE) y como deben afectar demanda, oferta y precios de CER. El articulo que le sigue a la entrevista en este boletin presenta los pronosticos de precios del 2010 a 2020 en el mercado europeo de los grandes Fondos de Carbono y los principales analistas europeos. Estos pronosticos sirven para estimar ingresos por venta de CER al futuro, estructurar flujos de caja de proyectos MDL, y negociar ventas de CER.

ESCENARIOS DE MERCADO DE CARBONO CON Y SIN EEUU

"No creo que el Senado de EEUU pase la ley para controlar emisiones de CO2 este año. Por eso, cabe la probabilidad de un acuerdo mundial de nuevas metas bajo el UNFCCC en Cancún. De todas maneras, habra buen mercado por CER de 2010 a 2020. Empezando con la Union Europea, que ya establecio sus metas de reduccion al 2020 por Directiva de la Union, los bloques económicos regionales desarrollaran sus propias iniciativas y reglas del juego, y el mercado de cada bloque tendra que ser analizado independientemente. Tengo claro que tendremos importantes mercados y buenos precios para CERs porque los países industrializados necesitan importarlos en grandes cantidades para controlar sus costos de cumplimiento y mantener la competitividad de sus empresas. La oferta de CER es el hilo que interconecta el mercado global de carbono."

LA UNION EUROPEA APUNTA A UN AUMENTO UNILATERAL DE SU META DE REDUCCION DE EMISIONES 2013-2020

"La recesion economica creo tal reduccion de emisiones en las economias de la UE, que ahora sera mas facil para el bloque cambiar su meta de reduccion para el periodo 2013-2020 de 20% a 30%. La Comision Economica Europea (CEE) esta discutiendo seriamente el aumento con el fin de mantener la posicion de liderazgo mundial de la UE ante el frente climatico, lo cual es muy importante para Bruselas. Uno de los resultados de Copenhague fue que la UE salio con la sensacion de que ya no era el poder politico mas importante en el tema del clima, a pesar de que es uno de los mayores poderes economicos. Europa quiere volver a ser el mayor poder politico en la arena de cambio climatico, y una manera de hacerlo, es cambiar su meta de reducciones a un 30% para el año 2020.

POLL - EU carbon emissions, EUA price forecasts to 2020

LONDON, June 14 (Reuters) - Analysts have increased their price forecasts for carbon permits under the EU's Emissions Trading Scheme for this year and beyond on expectations of a tighter cap on emissions from 2012 and higher emissions from companies as they recover from recession.

On Friday, some Western European countries gave strong backing to deeper cuts in emissions to 30 percent below 1990 levels by 2020 from the current EU goal of 20 percent. A more ambitious emissions reduction goal would require much tighter limits on companies' emissions output from 2012.

Nine emissions analysts polled by Reuters said they expect 2010 EUA prices to average 16 euros ($19.50) a tonne this year, up from 15.4 euros a month ago. They also raised forecasts for subsequent years of the EU ETS.

Benchmark EU Allowances (EUAs) for delivery in December were trading at around 15.85 euros a tonne on the ECX on Monday.

Nine analysts polled by Reuters estimated 2009 emissions have fallen to around 1.9 billion tonnes, meaning participants will have received a collective surplus of up to 170 million tonnes in EU permits.

The analysts predict Phase 2 (2008-2012) emissions to average 2.06 billion tonnes, resulting in an annual surplus of 50 million tonnes.

They also said the linear annual reduction in the scheme's emissions cap through Phase 3 (2013-2020) will see a shortage of around 250 million tonnes per year, and as a result EUA prices will double to average 30.6 euros per tonne.

Following is a table showing analysts' forecasts for total carbon dioxide emissions per year by companies participating in the EU scheme and averaged across the scheme's second and third phases. The table also contains surplus or shortage (long/short) estimates for EUAs, and notes whether each analyst has taken into account emissions from aviation, to be included in the scheme from 2012, or from Norway, which is not a member of the EU but has an emissions trading programme linked to the bloc's scheme.

EUA PRICE ESTIMATES	2010	2011	2012	P2	P3
BarCap	15.1	20	28	19.8	35
DOER2 Commodities	18.5	24	30-32	21.8	N/A
Daiwa	13.3	13.9	14.4	15.5	20
Deutsche Bank (1)	17	+CC	+CC	20	40-42
Nomisma Energia	15	17.9	19.8	17.7	24
Point Carbon	17	21	26	19.9	33
Sagacarbon	17.5	20	25	19.6	N/A
SocGen/orbeo	15.9	21	23	19.1	30.8
UniCredit	14.6	18	21	17.9	N/A
AVERAGE	16	19.5	23.5	19	30.6

* Average emissions and allocation figures take a simple average of all the data, ignoring the inclusion/exclusion of Norway (NO)

(1) Deutsche Bank said EUA prices are likely to trend up into the 18-20 euro range by the end of 2010. Its analysts see an average Phase 2 price of around 20 euros based on the market's current dynamics, but said EUAs have a fundamental value of 30 euros this year, rising at cost of carry rate (+CC) of 4 percent annually to 48 euros in 2020.

(Reporting by Nina Chestney and Michael Szabo; Editing by Keiron Henderson)

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Global voluntary carbon market tumbled in 2009

WASHINGTON, June 14 (Reuters) - The global voluntary carbon market tumbled last year both in value and in volume, according to a report released on Monday, as the recession and uncertainty about whether the United States would regulate greenhouse gases hurt demand.

The value of deals in the global voluntary carbon markets dropped 47 percent to $387 million in 2009, said the report by Ecosystem Marketplace and Bloomberg New Energy Finance.

The voluntary carbon market operates outside mandatory emissions reductions schemes such as the European Union's. Many companies in voluntary carbon markets, such as the Chicago Climate Exchange (CCX) , to prepare themselves for mandatory markets that might affect them in the future.

In such markets companies pledge to cut emissions of planet-warming gases. Those that reduce emissions can sell credits representing the cuts to companies who do not. Almost half the voluntary market was transacted through the CCX last year.

The average price of carbon credits in the over-the-counter market slipped about 12 percent from $7.30 per tonne to $6.50 per tonne, said the fourth annual report.

Volumes declined 26 percent in response to the global financial crisis as companies cut spending in corporate social responsibility and as government climate plans stalled in the United States and Australia.

The U.S. House of Representatives narrowly passed a climate bill in the middle of the year but legislation stalled in the Senate during the second half, which helped push down demand.

"The year came in like a lion but went out like a lamb," Katherine Hamilton, a managing director at Ecosystem Marketplace, said at the report's launch.

The most popular type of offset -- or certified reduction in greenhouse gases that can be bought by a company -- was originated by burning methane, a powerful greenhouse gas, at farms or abandoned coal mines. Forestry projects, either planting trees or managing forests, were also popular.

The report was based on information collected from more than 200 suppliers of offsets. It did not measure how well the voluntary deals actually cut emissions.

(Reporting by Timothy Gardner; Editing by David Gregorio)

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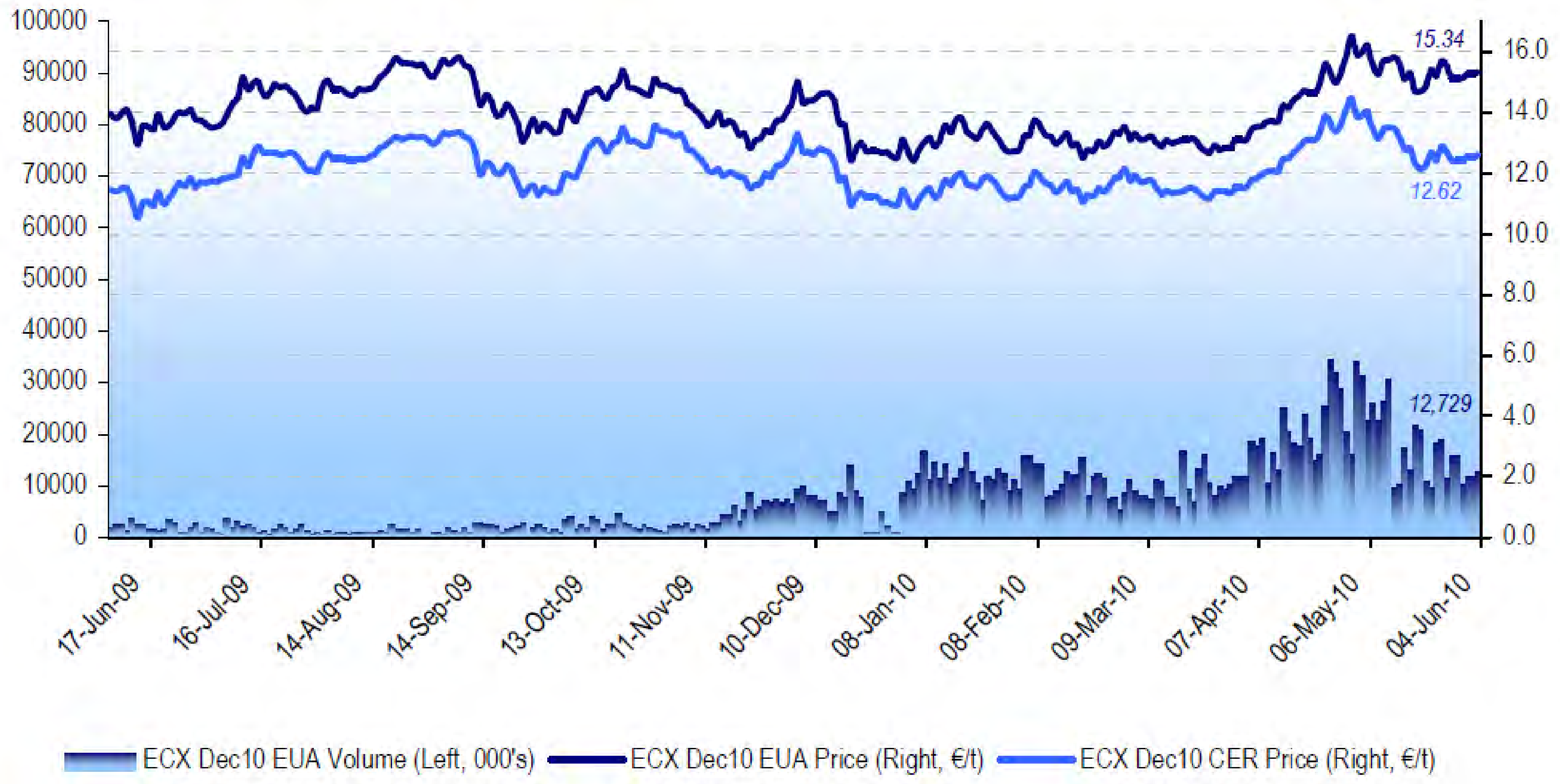
Precios CER Históricamente se transan entre el 85% y 89% de precios EUA



Estimación precios CER a 2020, EU ETS P-III (Euros),basado en relación histórica EUA – CER
Para estructurar Flujos de Caja

PRONOSTICOS DEL MERCADO DE KYOTO PRECIOS EUA, CER a 2020				
	2010	2011	2012	P3 2013-2020
Pronosticos Promedio EUA Modelos Experos Europeos	**$ 16.00**	**$ 19.50**	**$ 23.50**	**$ 30.60**
Secondary CER (85% EUA)	**$ 13.60**	**$ 16.50**	**$ 20.00**	**$ 26.00**
Primary CER				
CER Post PIN, Pre PDD	$ 7.87	$ 9.55	$ 11.57	$ 15.04
At Validation	$ 10.40	$ 12.61	$ 15.29	$ 19.88
Registered	$ 11.80	$ 14.32	$ 17.36	$ 22.56
Encuesta Reuters: Promedio de precios pronosticados por Barclays, Deutsche Bank, Societe General de France, Point Carbon, otros				

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The Andean Center for Economics in the Environment

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ESCENARIOS DE PRECIOS CER DEL CAEMA

Escenarios recomendados 2007-2012 para valorar flujos de CER en la contribución financiera del MDL a proyectos energéticos

Proyectos MDL pueden generar flujos de CER anualmente por hasta 21 años

ESCENARIO	PRECIOS CER
ALTO	US$ 20
MEDIO	US$ 15
BAJO	US$ 10

The Andean Center for Economics in the Environment

F A I R T R A D E C D M

Conclusiones

- Si no hay acuerdo UNFCCC, la Unión Europea y Japón **son** el mercado hacia el 2020 y el 2028.
- El mercado de CERs hacia el 2020 es solido, con excelentes perspectivas de precio, pero:
- Solo Proyectos MDL que se registran antes de dic 2012 tendrán acceso al mercado europeo.
- Proyectos MDL que se registran después, no tendrán acceso al mercado (en ausencia de un acuerdo bilateral con la UE).
- La decisión pendiente de la Unión Europea de excluir CERs de proyectos HFC 23 puede reducir la oferta entre 30 y 50%.
- La demanda de la Unión Europea y Japon pueden alcanzar mas de 600 millones de CER por año.
- Los analistas de la gran banca europea concurren que

Mil Gracias.

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