

Environmental Projects Consulting Institute
Environmental Defense

Global Climate Treaties:

**Risks and Benefits
for Russia
and Other Countries**

Moscow
2006

Content

<i>Alexander Kosarikov</i> Global Climate Treaties: Risks and Benefits for Russia and Other Countries. Preface	5
<i>Alexander Kosarikov</i> Energy instability of development	7
<i>Vsevolod Gavrilov, Oleg Plouzhnikov</i> The Kyoto Protocol One Year after its Entry in Force: Preliminary Results and Prospects Of Implementation of Kyoto Mechanisms	13
<i>Laura A. Henry, Lisa McIntosh Sundstrom</i> Russia and the Kyoto Protocol in Comparative Perspective	19
<i>Dan Dudek, Alexander Golub, Dominic Marcellino</i> Suggestions for the Implementation of the Kyoto Protocol in Russia	31
<i>Alexey Kokorin</i> The Kyoto Protocol: Current Situation and Future Prospects: The Results of 1st Conference of Parties to the Protocol	42
<i>Marina Lebedeva</i> The Role of the Kyoto Protocol in Russia: Search for Adequate Solutions for Improvement of Environmental Situation	55
<i>Tomas Kaberger</i> Bioenergy expansion in Sweden	61
<i>Elena Antonova</i> Economic and Regulatory Mechanisms of Mitigation of Global Warming (The Case of Japan)	70
<i>Prepared by Global Green USA with funding from the Ford Foundation</i> Community Development through Climate Protection: A strategy for Los Angeles and Beyond	84
<i>Mikhail Yulkin</i> How to constrain climate warming after 2012?	102
<i>Natalia Davydova, Alexander Kosarikov</i> Remote Russian villages: Why convert municipal district heating from coal and fuel oil to forest biomass?	108



Global Climate Treaties: Risks and Benefits for Russia and Other Countries Preface

Entry in force of the Kyoto Protocol jump-started unique mechanisms of collective international efforts aimed at control of anthropogenic influence on global climate, which is the main factor of stability of the Earth's biosphere.

The scale of collective actions, on one hand, and sharp differentiation of interests of different regions and countries, on the other hand, have caused intense public discourse in different strata of the society.

The risks and plausible benefits of different nature: environmental, technological, and, first of all, economic and social - trigger arduous dialogue among politicians and industry experts, where quite often opposite opinions are articulated, reflecting anti-polar interests of different industrial sectors.

At the same time, businesses have started to actively exploit opportunities offered by Kyoto flexibility mechanisms: from multi-million deals on GHG emission trading market, to futures agreements about technology transfer in the framework of JI projects. Sometimes, even more complex economic schemes are being developed on the basis of flexibility mechanisms, including «Green Investment Scheme».

Today, international efforts aimed at mitigation of technological influence on the state of global atmosphere, undergo «endurance test». Successful passing of this test would mean more stable and secure national energy supplies, and more thrifty use of fossil fuels.

The overall effectiveness and practicability of Kyoto mechanisms is tested for their ability to adapt to varying natural and economic conditions of different countries and regions. Moreover, the credibility of new sectors of economy will depend upon long-term rules of Kyoto mechanisms, and forecasted evolution of these approaches in the next Budget Period, after 2012.

There are at least two powerful incentives, which recently spurred active development of energy saving programs and renewable energy sector. The first incentive relates to potential benefits of flexibility mechanisms, provided by the Kyoto Protocol. The second incentive is rapid rise of prices for fossil fuels. Combination of price signals and Kyoto flexibility mechanisms gave birth to new generation of greenhouse gas (GHG) emission reduction projects, thus contributing to development of sustainable energy sector - an emerging economic reality. At the same time, the complexity of national bureaucratic procedures of approval of international GHG emission reduction (or sink enhancement) projects hinders their

implementation. The extent of international cooperation is limited by large uncertainties around design and parameters of future climatic treaties.

Post-Kyoto treaties should observe the balance of national interests of sovereign countries, which have ratified the Kyoto Protocol. The lessons, that we learn today, should help to work out a reasonable balance of economic development goals and limitations to such development, in the interests of stabilization of global climate. This balance should be developed and accepted by international community.

The articles below present diverse positions of experts from different countries, who work in the area of international climate policy making, climatic research and business projects. While this booklet is by no means representative of whole spectrum of existing positions, it shall give the reader a feel of prevailing viewpoints, of tense discussions around future international climatic regime.

*Prof. A. N. Kosarikov,
vice-chairman of the Committee on Ecology
of State Duma of the Russian Federation,
Merited Worker of Science of the Russian Federation,
State Prize Laureate*