



## **Pacific Economic Cooperation Council**

Australian Pacific Economic Cooperation Committee - *AUSPECC*

### **MEDIA ALERT**

#### **PECC COMPARES THE OPTIONS FOR EMISSIONS TRADING POST-KYOTO**

Monday 6 August 2007

The attached policy research paper commissioned by the Australian Committee of the Pacific Economic Cooperation Council (PECC), and prepared by the Australasian Emissions Trading Forum, highlights the options available in a post-Kyoto environment to provide adequate economic incentives to reduce greenhouse gas emissions.

The paper notes the increasing role of existing emissions abatement schemes - particularly the Kyoto Protocol's Clean Development Mechanism and the EU Emissions Trading Scheme - but argues that the challenge is to build on these foundations "to establish a more robust, comprehensive and long-term market structure incorporating all major emitters, particularly those in the Asia-Pacific". In terms of post-Kyoto policy, the paper also argues that "the relationship between abatement efforts required of developed and developing countries remains the most contentious issue".

In considering the many options that have been put forward, the paper suggests that greater flexibility in approaches to emissions trading than currently possible under the Kyoto Protocol – whether through binding emissions limits, price caps, sector-based CDMs, or intensity targets, or some combination of these – could provide for the effective transmission of international price signals to key emitting sectors. To support the evolution towards appropriate policy and market frameworks, the paper also calls for developed countries "to facilitate a more extensive program of R&D, technology transfer, capacity building and investment in best practice projects in the developing world".

Given the breadth of its membership APEC is uniquely placed to promote the development of such a framework at its forthcoming meetings in Sydney culminating in the Leaders Summit on 8-9 September. The Australian Government has signalled that climate change will be a focus of these meetings and, as host, is in a strong position to provide both impetus for the debate and encourage a sustainable outcome for future emissions trading mechanisms. And APEC's traditional emphasis on non-binding commitments, technical support and capacity building amongst member countries could support the development of flexible, but effective emissions trading across the Asia-Pacific region.

*The Pacific Economic Cooperation Council (PECC) is a non-governmental body in the Asia Pacific region, serving as a regional forum for cooperation and policy coordination to promote economic growth and development in the region.*

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