

## E-news update July 11 2005

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### POLICY

- 1.1. Fresh talks but little hope on climate change, No new pledges as US objections scupper action  
9 July 2005, The Guardian

Patrick Wintour: G8 leaders agreed yesterday to start a new series of talks on climate change that will bring together big polluters, including the US and China, with the aim of finding a replacement for the Kyoto treaty, which expires in 2012. But the action plan contains no substantial pledges of financial investment in low-carbon technologies or assistance for developing countries. The communique, watered down to meet US objections to legally binding targets for emission cuts, states: "Uncertainty remains in our understanding of climate change, but we know enough to put ourselves on a path to slow and, as science justifies, stop and then reverse the growth of greenhouse gases." Tony Blair defended the settlement, saying he had found a way of bringing the US back into discussions with the rest of the world over the issue. "My fear is that if we do not bring the US into the consensus on tackling climate change, we will never ensure the huge emerging economies, particularly China and India, are part of a dialogue," he said. "If we do not have the US, India and China as part of that dialogue, there is no possibility of succeeding in resolving this issue." He had established "an agreement that climate change is a problem, human activity is contributing to it and we have to tackle it with urgency", and won agreement that "we have to slow down, stop and reverse greenhouse gas emissions". The Bush administration has been isolated since it refused to sign up to legally binding targets set out in the Kyoto treaty. The US fears competitive disadvantage and favours relying on carbon-cutting technology and transfer of technology to developing economies. The G8 agreed yesterday that a dialogue would start with a meeting in London in November to set out details of

implementation. A progress report will be delivered during Japan's presidency in 2008. The communique states: "It is in our interests to work together and in partnership with major emerging economies to find ways to achieve substantial reductions in greenhouse gas emissions, improving the global environment, enhancing energy security, including the promotion of low-emitting systems." After pressure from the French, the communique also contains strong commitments to the UN-led policy of meeting targets set in the Kyoto treaty: "We acknowledge that the UN framework climate change convention is the appropriate forum for negotiating the future of the multilateral regime on climate change." It continues: "Those of us who have ratified the Kyoto protocol welcome its entry into force and will work to make it a success." This phrasing leaves open whether Kyoto will continue after 2012 in its current form. Negotiations on this issue are to resume in Montreal in December. Despite the scepticism of environmental pressure groups, France's president, Jacques Chirac, yesterday described the agreement as a partial victory. "We have noted a visible, real evolution in the American position which allowed it to progress towards an agreement which will be an important step ... towards an improvement of the situation." Stephen Tindale of Greenpeace said environmentalists wanted the US back in the international process, but "to bring George Bush back into process, you would have to take things down to such a low level of generality and lack of commitments it would not be worth doing". The better option was to create a radical international framework and work with the many voices in the Republican and Democratic parties "willing to go down that route in preparation for when under a different president the US is willing to re-engage". Jennifer Morgan, the Director of WWF's Global Climate Change programme, said: "The prime minister must now change his strategy on climate change. While he nobly tried to get President Bush to change, he unfortunately failed," he said. "He must now, through his EU presidency, prioritise climate change and build strong alliances with countries like China and India." Tony Juniper of Friends of the Earth said Mr Bush was isolated. "He said we were entering the post-Kyoto era; the only place we are doing that is in the imagination of George Bush. The other leaders said Kyoto, the existing multilateral framework, is the way forward, and that is why they have formally stated they will put their efforts to reduce emissions through the Kyoto process." The Conservatives were also unimpressed with the summit. The shadow environment secretary, Oliver Letwin, said: "This summit has produced a lot more words on climate change, but not much action." The IPPR thinktank also rejected the deal, saying the communique contains "no new targets, or timetables, or even in-principle support for binding limits on greenhouse gas emissions. This is essential if we are to drive the large-scale, near-term deployment of low-carbon technologies."

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## 1.2. G 8 leaders boost climate negotiations

8 July 2005, UNFCCC press release

"The commitment of the leaders of the G 8 to act now on climate change and to vigorously address the climate-energy-sustainable development interface will inspire current and future intergovernmental action", says Joke Waller-Hunter, Executive Secretary of the United Nations Framework Convention on Climate Change (UNFCCC). She expects the outcome of the G 8 summit in Gleneagles to provide a major impetus to talks at the next UN climate change conference later this year. "In highlighting the central role of the United Nations Framework Convention on Climate Change, including as the forum for negotiations on future action, the G8 leaders have put the spotlight on the next UN climate change conference later this year in Montreal. As a near-universal agreement that establishes the long-term objective for action on climate change, the UNFCCC provides the forum for intergovernmental cooperation on this global problem now and, as the Gleneagles declaration states, for negotiations on future steps," says Ms. Waller-Hunter. Ms. Waller-Hunter is also very pleased with the support expressed by the G 8 for the clean development mechanism (CDM). This unique mechanism assists developing countries in achieving sustainable development and at the same time assisting industrialized countries to achieve their targets under the Kyoto Protocol in a cost effective manner. She said, "it is crucial that the CDM delivers on its potential, and the support of the G 8 is of great assistance." In November, Parties to the Convention and to its Kyoto Protocol will get together to discuss a number of issues related to the implementation of their climate change agreements. It is also likely that they will start addressing what needs to be done over the longer term, after the 2012-end of the first commitment period of the Kyoto Protocol. The longer term perspective provided by the G 8 presents an important backdrop to that discussion. The first meeting of the Parties to the Kyoto Protocol will take place from 28 November to 9 December

2005 in Montreal, Canada, in conjunction with the eleventh session of the Conference of the Parties to the United Nations Framework Convention on Climate Change.

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### 1.3. EU Commission Targets Member States over Biofuels

7 July 2005, Reuters news service

Several European Union states have failed to implement rules promoting biofuels, the bloc's executive said on Wednesday, adding it was starting or advancing legal action against the offending countries. The European Commission said the bloc's 25 governments had to turn EU rules on biofuel usage into national law in 2004. In addition, they had to send a report to the Commission with "an indicative target for the share of the petrol and diesel market that will be taken by biofuels at the end of 2005." The EU directive calls for a two percent reference goal and states had to explain if their targets were different. Estonia, Finland, Greece, Italy, Luxembourg, the Netherlands, Portugal and Slovenia had not yet notified the Commission of the national law. Italy, Luxembourg, and Slovenia had not submitted reports, while France and Estonia's reports lacked concrete targets, the Commission said. "This is particularly unfortunate since biofuels have an important role to play in European transport and energy policy as one of the few options available for replacing oil-based transport fuels," Energy Commissioner Andris Piebalgs said. "They tackle climate change by avoiding emissions of greenhouse gases, they diversify Europe's sources of energy and reduce dependence on oil imports, and they offer new markets for European agriculture," he said in a statement. The Commission also rejected targets submitted by seven states, ranging from 0.0 percent to 0.7 percent, saying they did not comply with EU rules. Those countries were Denmark (0.0 pct target), Ireland (0.06 pct), Finland (0.1 pct), the UK (0.3 pct), Hungary (0.4-0.6 pct), Poland (0.5 pct) and Greece (0.7 pct). Different biofuels are made from rapeseed, grain, sugar and farm waste.

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## ENERGY AND EMISSIONS

### 2.1. Next steps for EU carbon trading explored

8 July 2005, Environment Daily 1917

Priorities for improving the EU carbon emission trading scheme in its second phase (2008-12) have been identified in a new report by the Brussels-based Centre for European policy studies (Ceps). Significant changes can be achieved without having to make cumbersome legal changes, it concludes. Policy makers and business representatives debated the findings at a meeting in London on Thursday morning, oblivious to growing chaos outside following a series of bomb attacks around the city. The Ceps report highlights options for making the process of allocating emission allowances through phase two national allocation plans (Naps) more transparent, fairer and more cost-effective. More strategic changes, will have to wait for the scheme's third phase from 2013, it concludes. Hovering behind the discussion, but hardly mentioned, is the political reality that governments will have to cut total allocations significantly in phase two to align emissions with their broader Kyoto targets. Nevertheless, the technical issues addressed by Ceps are central to how the scheme functions. Key priorities highlighted in the report and discussed at the meeting include: Greater transparency: There is general agreement that the complexity of phase one Naps caused problems. "Every single first plan we've read led to more questions", European Commission official Peter Zapfel told the meeting. Andrei Marcu of the International emission trading association called greater transparency "critical". The Commission will issue new guidelines on Nap formulation, Mr Zapfel confirmed. However he warned against expectations of radical simplification. "Every plan is a complicated animal", he said. Combustion installations: Different national definitions have led to similar plants being included or excluded from the scheme depending on their location. Pressure is building for a more harmonised definition to avoid market distortions. Small installations: The scheme has been criticised for imposing unreasonable costs on smaller companies. Steps might be taken to reduce costs for these firms. Alternatively they might be taken back out of the scheme. The number of participants could be cut significantly without much affecting the amount of carbon dioxide covered, Ceps notes. Setting an emissions threshold of 10,000 tonnes CO2 per year would cut participants by 3,400, or 32%, but the scheme's emissions coverage by only 1%. New entrants and closures: Drafting rules for firms entering or exiting the scheme after launch has been another problem area during phase one. At a minimum, a first step should be made towards harmonisation, Ceps recommends. Allocation methodologies: The scheme has started off with free allocation of emission allowances, generally based on plants' historic

and forecast emissions. Ceps calls for more intense investigation of benchmarking and auctioning as potentially more environmentally effective or fairer long-term alternatives. Broadening the scheme's scope: The scheme allows for expansion to include non-CO2 greenhouse gases and new sectors such as chemical industry processes and aviation. There "may be a case" for such "unilateral opt-ins" in phase 2, Ceps concludes. Follow-up: Ceps <http://www.ceps.be/Default.php>, tel: +32 2 229 3911, and meeting details <http://www.ceps.be/files/EUETSLondonLaunch070705.pdf>.

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## 2.2. Japan Delays Biofuel Introduction, Scarcity Seen

11 July 2005. Reuters news service

The introduction of environmentally friendly biofuel for cars has been delayed in Kyoto protocol leader Japan despite a decade-long government effort aimed at cutting greenhouse gas emissions. Scarce availability of domestically produced ethanol made from grains and possible heavy dependence on imports are blocking gasoline blended with bioethanol from hitting the market, analysts said. As well as requiring huge investments in facilities to make bioethanol-blended gasoline, the ambitious government policy would also create risks for the oil industry involving import costs and possible volatility in freight rates. The Environment Ministry in Japan, a country that consumes about 1.04 million barrels of gasoline a day, had aimed to introduce auto fuel containing 3 percent bioethanol -- often made from wheat, soybeans and sugar cane -- on the retail market at the start of the fiscal year from April 2005. The government also wants all retail gasoline to be replaced with ethanol-blended auto fuel by 2012, eventually helping to cut carbon dioxide emissions by as much as 2 million tonnes a year. "Bioethanol is a great idea for cutting CO2 emissions, but it's unrealistic to expect bioethanol-blended gasoline to start selling in the retail market soon," said an environmental analyst, who asked not to be named. Such gasoline, called E3, has yet to become available at Japanese gas stations. Gasoline with bioethanol content of up to 5 percent is sold in some European countries, and varieties with up to 10 percent bioethanol are used in the United States. "Japan is the world's second-biggest gasoline market after the United States, and in order to replace 3 percent of such a big market, you need a very large amount of bioethanol," said Hidetoshi Shioda, an energy analyst at Nomura Securities. "Japan would have to import all such ethanol for gasoline blending, mainly from Brazil." Brazil is the world's largest bioethanol producer. Shioda and other analysts said the heavy reliance on imports would cost refiners more than just their facility investment, which the government estimates at more than 10 billion yen (\$89.3 million) every year to 2012 for the industry. "Brazil is on completely the opposite side of the globe from Japan. Importing bioethanol from there would take more time than importing crude oil from the Middle East," from which Japan gets nearly 90 percent of its crude, Shioda said. "That could raise concerns over other risks like international freight costs, and international grain markets." Japan's top auto makers, including Toyota Motor Corp. and Honda Motor Co Ltd., said they did not currently make cars commercially that can run on bioethanol-blended gasoline. "In terms of our environmental approach, we focus on the production and development of hybrid (gasoline-electric) cars," a Honda spokesman said.

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## 2.3. Europe's pollution penalties up 10% to record

4 July 2005, FT

By Kevin Morrison: The cost of polluting in Europe rose more than 10 per cent to a record level on Monday on the eve of Wednesday's climate change talks between leaders of the Group of Eight leading industrialised nations. With gas becoming more expensive, utilities are burning more coal and paying more for the permits to allow them to increase their pollution levels. However, rising oil costs have driven up the price of gas, which in turn has lifted electricity and emissions prices. Carbon dioxide emission prices in Europe, which has the most advanced trading scheme in the world, rose to a record €29.35 (\$34.92) a tonne, up €2.85 on the day and more than four times the figure at the start of the year. The increase threatens some industrial companies that may struggle to pass on increased costs if power and pollution prices remain high. "This is a scheme that was designed for the polluter to pay but it has ended up with the consumer paying," said Erik Verhaar, head of European power and gas at Deutsche Bank. Power prices in Germany, France and the UK reached record levels on Monday. In the UK, gas prices for the coming winter are up more than 70 per cent since the end of last year, though coal price gains have been more modest. Chris Rowland, head of utilities at Dresdner Kleinwort Wasserstein, said the higher emission costs could force some industrial companies to move production out of Europe. "At close to €30 a tonne, the cost to pollute is greater than the

returns they make on their underlying business," Mr Rowland said. "If emission prices go higher then it may be more viable for some companies to stop producing, sell their allowances, and move their production outside Europe." Rising energy costs have already prompted aluminium producers in Europe to threaten plant closures. Norsk Hydro, the Norwegian energy and metals group, and Corus, the Anglo-Dutch steel group, have threatened to close aluminium plants in Germany. This follows the closure of the Hamburger aluminium smelter in Germany last month. Futures markets suggest oil prices will remain about \$60 for the rest of the year. Louis Redshaw, associate director of carbon trading at Barclays Capital, said this may keep gas and emission prices high. Data released last week showed that more investors were speculating that oil prices could fetch \$80 a barrel by the end of the year with increased activity in options trade at this price on the New York Mercantile Exchange.

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## CLIMATE IMPACTS

### 3.1. NASA Able to Pinpoint Changes in Sea Levels, New Satellites May Help Explore Global Warming 8 July 2005, Washington Post

By Juliet Eilperin: NASA scientists are able to identify for the first time how rapidly sea level is changing through a series of new satellites and observation systems, agency officials announced yesterday. The question of rising sea levels, which is linked to global warming, could prove critical in coming years as policymakers seek to protect imperiled U.S. coastal areas and communities overseas. Waleed Abdalati, who heads the Cryospheric Sciences Branch at NASA's Goddard Space Flight Center, said yesterday that more than 100 million people could be affected by a three-foot increase in sea level. "When you consider this information, the importance of learning how and why these changes are occurring becomes clear," Abdalati said at a news conference. Scientists have been directly measuring sea level since the early 1900s. But until recently they lacked the ability to determine how much these shifts reflected the movement of nearby land. Four years ago, according to Laury Miller, chief of the National Oceanic and Atmospheric Administration's satellite altimetry laboratory, experts could provide only a range of estimates for how much sea level has increased over the past century. They now know the sea has risen for the past 50 years at a rate of 0.07 of an inch each year, accelerating to an annual rate of 0.12 of an inch the past dozen years. NASA is using a range of tools to gauge sea level shifts, including satellites that fire lasers at an ice sheet's surface to determine its elevation and two satellites that fly in formation to measure how the land mass is changing below. Some of this technology dates back to 1993; the government launched other programs two years ago. "I love that mission," Abdalati said of the satellite pair, which the agency began using in 2002. More than half the recent sea level rise comes from melting ice bodies, according to NASA scientists, while much of the remaining rise stems from warmer ocean temperatures. As ocean temperature rises, its water expands, they said. Scientists are using new technology to monitor disappearing ice shelves and moving glaciers: One 10,000-year-old ice shelf in the Antarctic peninsula recently melted in just three weeks, according to NASA scientist Eric Rignot. "These glaciers are melting much faster than we thought," said Rignot, principal scientist for the radar science and engineering section at NASA's Jet Propulsion Laboratory. Scientists who back mandatory cuts in heat-trapping gases linked to climate change, such as Princeton University professor Michael Oppenheimer, cite such statistics in making the case for immediate action. Americans living along the coasts of Florida and Louisiana are vulnerable to higher sea levels, they say, as are residents of Bangladesh and other countries with low-lying coastal areas. "The message is, global warming is not something for the future," Oppenheimer said in a telephone news conference Wednesday sponsored by the advocacy group Environmental Defense Fund. "Global warming is happening already." Richard Alley, a professor at Pennsylvania State University's EMS Environment Institute, said once scientists accumulate more information through these advances, they can better inform the public.

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### 3.2. North Atlantic Ocean Temps Hit Record High 7 July 2005, The Associated Press

By DENE MOORE: Ocean temperatures in the North Atlantic hit an all-time high last year, raising concerns about the effects of global warming on one of the most sensitive and productive ecosystems in the world. Sea ice off the coast of Newfoundland and Labrador was below normal for the tenth consecutive year and the water temperature outside St. John's Harbor was the highest on record in 2004, according to a report released Wednesday by the federal Fisheries Department. The ocean

surface off St. John's averaged one degree Celsius above normal, the highest in the 59 years the department has been compiling records. And bottom temperatures were also one degree higher than normal, according to the report. "A one-degree temperature anomaly on the Grand Banks is pretty significant in the bottom areas, where temperatures only range a couple of degrees throughout the year," said Eugene Colbourne, an oceanographer with the Fisheries Department. Water temperatures were above normal right across the North Atlantic last year, from Newfoundland to Greenland, Iceland and Norway. The Newfoundland data is another wake-up call on climate change, say environmentalists. Anchorage, Alaska, has seen annual snowfall shrink in the past decade, high river temperatures are killing off millions of spawning salmon in British Columbia and northern climates around the world have noticed warming. Meanwhile, ocean temperatures have risen around the globe, and species are already dying, said Bill Wareham, acting director of marine conservation for the Vancouver-based David Suzuki Foundation. "I don't think there's a question about whether these changes are happening," Wareham said. But "everyone's quite shocked at the speed at which these things are changing." Air temperatures in the Newfoundland region were also higher than normal, but Colbourne said the results are not conclusive. Water temperatures in the cold Labrador current were actually below normal levels. And while the other temperatures were record highs, a similar warming trend occurred in the 1960s, Colbourne said. "We really can't say for sure if what we're seeing in Newfoundland waters is a consequence of global warming, when we've only got 50 years of data or so," Colbourne said. "It may be related to global warming but, then again, it may be just the natural cycle that we see in this area of the world." Still, climate change is high on the agenda this week at the G8 meeting in Scotland, where British Prime Minister Tony Blair hopes to persuade the world's wealthiest nations to sign a deal on climate change despite bitter opposition from the United States. Going into the meetings, U.S. President George Bush ruled out any Kyoto-type deal but did say that global warming is an issue that needs to be dealt with. In an interview with a British television station, Bush conceded, for the first time, that human activity was "to some extent" to blame.

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## PUBLICATIONS

### 4.1. "How attractive are forest carbon sinks? Economic insights into supply and demand of Certified Emission Reductions"

by R. Olschewski, P.C. Benítez, G.H.J. de Koning and T. Schlichter. An article is now available at [www.sciencedirect.com](http://www.sciencedirect.com). Abstract: The Clean Development Mechanism includes afforestation projects as possible instruments to reduce global atmospheric CO<sub>2</sub>. These projects have also the potential to combat regional environmental problems like land degradation and desertification. The present article analyzes forestry projects in north-western Patagonia from an economic viewpoint based on the latest Kyoto Protocol developments. We consider temporary and long-term Certified Emission Reductions (CER) and determine the conditions on which forest plantations are attractive to potential CER suppliers and demanders. We conclude that for most of the recent carbon price projections, carbon sink projects would be economically viable for CER suppliers and at the same time attractive to CER demanders looking for cost-efficient emission abatement opportunities.

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### 4.2. New publications by Henderson Global Investors

Henderson Global Investors has just published two new reports that investigate some of the investment implications of climate change. The first study examined the UK equity market and quantified the global emissions from the FTSE 100 list of companies from 2003/04, including emissions from the products of fossil fuel companies. These emissions were then normalised in terms of turnover, earnings before interest, taxation, depreciation and amortisation (EBITDA) and market capitalisation to generate measures of relative 'carbon intensity'. In addition, the study modelled the potential implications of further measures to internalise the cost of carbon into market prices. Where emissions' data was not publicly available, an estimate was made using Trucost's environmental profiling system. The study also reviewed the quality and quantity of current disclosures to investors. The results of this study are presented in The Carbon 100, which can be found by clicking on the following link: [http://www.henderson.com/global\\_includes/pdf/sri/SRICarbon100Report.pdf](http://www.henderson.com/global_includes/pdf/sri/SRICarbon100Report.pdf). The second study carried out a carbon audit of one of Henderson's SRI funds, Global Care Income. This compared the fund's carbon intensity with that of its benchmark, the FTSE All Share. The study found that Henderson's fund was 32% less carbon intensive than the FTSE All Share. The results of this

study are contained in a separate report, entitled How Green is My Portfolio?, which can be found by clicking the following link: [http://www.henderson.com/global\\_includes/pdf/sri/SRIClimateFriendly.pdf](http://www.henderson.com/global_includes/pdf/sri/SRIClimateFriendly.pdf).

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#### 4.3. The political declaration of the APPCRE

The Asia-Pacific Parliamentary Conference on Renewable Energies was held and reached great success, gathered 60 MPs around Asia-Pacific regions. You can get the political declaration of the APPCRE at <http://www.isep.or.jp/APPCRE/en/outcomes.html>, the detailed report of the conference would be available on the web in August.

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#### 4.4. G8 Climate Scorecards

WWF's "G8 Climate Scorecards" show that none of the G8 countries are taking the required lead when it comes to cutting emissions, increasing the share of renewable energies or improving energy efficiency. The scorecards use a total of ten criteria to provide a comparable snapshot of recent and expected greenhouse gas emissions in each of the G8 economies. They also show how effectively governments are reacting to the threat of climate change and provide an overall evaluation of the climate performance of each country. Within the scorecards, the US performed worst, not having ratified the Kyoto Protocol and not having put any substantive measures in place to curb emissions. The US has the highest emission rates for greenhouse gases among G8 countries sourcing around two thirds of its energy needs from coal and oil. And under the Bush administration the world's largest economy's dependence on coal and oil is set to increase. The three countries furthest along in dealing with climate change issues include France, Germany and the UK, but each is likely to see increases in emissions if further measures are not implemented soon. Canada, Italy, Japan and Russia rank much lower and are far from meeting the criteria required to keep the global rise in temperatures below 2°C by 2050. Also investigated - but not rated - are the five major developing countries Brazil, China, India, Mexico and South Africa. They are expecting large growth in emissions as their economies expand, although they are already implementing measures to cut emissions. Download the G8 climate scorecards from [http://www.panda.org/downloads/climate\\_change/g8scorecardsjun29light.pdf](http://www.panda.org/downloads/climate_change/g8scorecardsjun29light.pdf)

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#### 4.5. Modelling 2 °C global warming

A new report models climate change impacts in the Mediterranean region if the world's average temperature rises by 2 °C above pre-industrial levels. According to WWF, if climate change is not curbed, the region could expect searing temperatures with up to six weeks more of extreme heat days (defined as plus 35 °C) per year. The increased number of hotter days would translate into a higher fire risk, with implications for the safety of tourists visiting the region. The southern part of the Mediterranean would be at risk of forest fires practically all year round and nearly everywhere else in the region the risk of fire would be expected to extend by up to six weeks. A 2 °C warming scenario would also have negative consequences for the future of the tourism industry in the region – heat waves and forest fires would make families go elsewhere for their summer holidays. Download the report from [http://www.panda.org/downloads/climate\\_change/medreportfinal.pdf](http://www.panda.org/downloads/climate_change/medreportfinal.pdf).

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#### 4.6. Climate Change & the Financial Sector: An Agenda for Action

Allianz, one of the largest international financial services providers, and WWF, the international conservation organisation, launched a new report – Climate Change & the Financial Sector: An Agenda for Action. The core message of the report is that the financial industry needs to systematically screen climate change risks. The report outlines specific steps and actions to better integrate risks from climate change into the insurance, banking, and asset management sectors. The report outlines specific steps for actions to better integrate risks from climate change into the insurance, banking and asset management business. Download the report from <http://www.allianz.com/azcom/dp/cda/0,,838721-44,00.html>.

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#### 4.7. A Guide to Bundling Small-scale CDM Projects

The report: "A Guide to Bundling Small-scale CDM Projects" was prepared for the CDM Pool Project: Establishing the Institutional Capacity to Enable Small-scale CDM Projects in India" by IT Power

Carbon (A Division of IT Power Group) and ECN (Energy research Centre of the Netherlands) with funding from the European Commission under the Synergy Programme. The report aims to provide guidance on bundling small-scale CDM projects including checklist requirements for bundling; capacity, skill requirements and a business plan for bundling organisations; and key experience from the development of project bundles. Hard copies of this report will be available for interested organisations and we would also be interested in your comments and experience in developing small-scale CDM projects. Report download: <http://www.cdmpool.com/reports/0797%20Handbook%20FINAL%20Version.pdf>. CDM Pool project website: <http://cdmpool.com>.

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#### 4.8. Tiempo Climate Newswatch

<http://www.tiempocyberclimate.org/newswatch/>: In the latest issue of Tiempo Climate Newswatch, a weekly online magazine on climate and development. Assessment of the Mauritius International Meeting on Small Island Developing States, <http://www.tiempocyberclimate.org/newswatch/feature050701.htm>. News from the 22nd Session of the Subsidiary Bodies to the UNFCCC, <http://www.tiempocyberclimate.org/newswatch/report050620.htm>. A new climate weblog section, <http://www.tiempocyberclimate.org/newswatch/index.htm#weblogs>. Plus news and features with an African theme on: the G8 summit, drought in Africa, climate and African deserts.

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#### 4.9. A new policy brief by CEPS on the US budget for climate change

Please find below the link to a new Policy Brief by CEPS on the US budget for climate change issues with a special emphasis on energy technology. The paper discusses US Congressional and Presidential actions on several recent budgets in the areas of technology, science, international and tax credits. The author, CEPS Associate Fellow Thomas Brewer finds several differences in Presidential and Congressional approaches to funding climate change programmes, providing further evidence that the Presidential-Congressional divide on climate policy is continuing to widen. There is an emerging bi-partisan Congressional coalition in favour of increased spending on a wide range of climate change programmes. This shift might affect EU-US relations on climate change issues for the remainder of the current administration until 2008, and perhaps beyond as well. Brewer, Thomas L, Climate Change in the US Government Budget – Funding for Technology and Other Programmes, and Implications for EU-US Relations, CEPS Policy Brief, No. 77/ July 2005. Free downloadable at: [http://shop.ceps.be/BookDetail.php?item\\_id=1239](http://shop.ceps.be/BookDetail.php?item_id=1239).

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#### 4.10. Climate deniers' toolkit

WWF Climate Change Program has developed a toolkit for responding to skeptical climate change claims. This deniers' toolkit aims to educate and inform people of climate change science and can be especially useful to communicators when responding to skeptical claims. If you would like to obtain a copy of this toolkit please email Michael Case at [michael.case@wwfus.org](mailto:michael.case@wwfus.org).

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### ANNOUNCEMENTS

#### 5.1. JI project in Ukraine for comments

TÜV Industrie Service GmbH TÜV SÜD Group is currently making a determination of the "Electric Power Production on Stripped Casing-head Gas in Boryslav" JI project in Ukraine. The objective of the project is utilization of non-conventional energy source - stripped casing-head gas - for power production. It is environmental and resources-saving technology leading to the reduction of GHG emissions because presently the gas is just flared. Details of the project in summary: Name: Electric Power Production on Stripped Casing-head Gas in Boryslav. Location: Boryslav city, Lviv Oblast, Ukraine. Description: The project aims reducing GHG emissions by installation of 6 CHP units with total capacity 12 MWe operated on ill-conditioned stripped casing-head gas - a by-product of oil extraction, which for a long time had no consumer in the region. At the moment the stripped casing-head gas is flared. The proposed technology will utilize this wasted non-traditional energy source by replacing certain electric capacity in the power grid. TÜV SÜD Group herewith invites comments from



