

A Possibility of Regional Cooperative Mitigation Action

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The 15th Conference of Parties of UN Framework Convention on Climate Change was closed without a legally-binding decision. But the Copenhagen Accord which was agreed by the major emitting countries and some developing countries could show a way to go ahead for responding climate change and could direct the way of a further negotiation. The Copenhagen Accord addresses the 20C limitation for a vision to be shared, and achieve an agreement of wider participation including USA and major developing countries.

Although COP15 did not get the exact target number or aggregate number of developed countries and concrete approaches of developing countries mitigation action, technology mechanism and the NAMA registry for the mitigation action supported by developing countries were the main outcome of the meeting. The NAMA registry and the technology and market mechanism would play an important role after post-2012.

Some Northeast Asian countries already announced their own GHG emission reduction target in the year of 2020, -25% from 1990 level with a specific condition by Japan, -30% from the 2020 BAU emission level by ROK, 40~45% reduction of carbon intensity on 2005 level by China and so on. These targets could be more meaningful than an agreement in Mexico COP16. The main issue of COP is: What's the legal shape of a basket which put the countries around the world in.

NEA is composed of big Annex I countries and non-Annex I countries who have the GHG reduction target. They will try to meet the target regardless of an agreement due to their own purpose. The main thing should be the actions rather than the legal issue. NEA could show the practice to cooperation with a regional technology mechanism, and market mechanism which could facilitate the participation of private finance.

Korean government last year announced new paradigm of Low Carbon, Green Growth strategy as a developing model. Last few decades, Korea has drastically grown up and been a developing model to many developing countries. For the LCGG, Korea should raise energy efficiency and renewable energy market share in a short time. And the cap-and-trade type of emission trading scheme is under construction. Korea already has shown the effective result of ESCO system and voluntary emission reduction scheme and the possibility of trading.

Korea is designing the energy consumption target program which will be implemented in 2010 in a pilot phase, and planned to be introduced in the later part of 2010. This program consists of the energy consumption target setting and MRV which could be a key process of cap-and-trade emission trading. An addition of trading to the results of the program would make an emission trading. This program could be transferred to cap-and-trade emission trading after 2012. This could make market of credit and expect the investment to GHG mitigation technologies.

The emerging and linking of market mechanism in NEA might be hard to expect in a near future. But the trial to meet the announced GHG emission reduction target might produce a chance of technology option, especially so called green technology. The market mechanism which focuses on the investment to green technology supported by technology incentives might lead regional cooperation. To meet the announced target, a regional technology mechanism might be needed. The mechanism could be designed

to afford the incentive to technology developed and deployed.