



Dear friends,

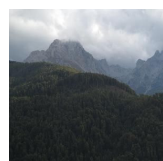
Cancún has unveiled the divide between the world of climate negotiators and the daily activity of the carbon markets. While representatives of 190 countries celebrated the birth of the Cancún Agreements, hailed the Mexican presidency and reinstated their faith in international climate negotiations, project developers and traders remained indifferent: markets did not move up, nor did they move down. Carbon credit prices, whether they be EUAs, CERs or related carbon products remained at the level where they had been in the months preceding the conference. The positive signal from the conference rooms of revived international support for mitigating climate change did not bring about hopes or expectations for continued emissions trading after 2012 nor did the lack of decisions on the future of the Clean Development Mechanism in those same rooms scare market participants.

This divide is remarkable, to say the least. Carbon markets exist by the virtue of political agreements and imposed emission reduction targets. The carbon markets' inertia to the events in Cancún indicates that the international negotiations have less and less influence on international and national carbon markets. For project developers the European Union's emission trading scheme is now the most important driver of activity, as it will continue accepting CERs in its emissions trading scheme irrespective of the outcome of the international negotiations. Therewith it is providing a sufficient base for investments in emission reduction projects and – increasingly so – in emission reduction programmes that bundle numerous projects under one single certification umbrella.

For 2011, it remains our collective task to translate the Cancún commitment to address dangerous climate change into action. We are looking forward to working with you on further pushing national and international climate policy, seeking implementation and finance solutions for projects, and developing innovative carbon accounting methodologies.

Charlotte Streck and Adriaan Korthuis

RECENT WORK



NAMAs and PoAs in Montenegro Forests

Under the umbrella of its ongoing project for Forestry Development in Montenegro (FODEMO), Lux-Development hired Climate Focus to support the enhancement of sustainable forest management opportunities in Montenegro. In the first phase of the FODEMO Project, Climate Focus identified opportunities to strengthen the project's cash flow by accessing carbon finance and provided capacity building services. The next phase of FODEMO aims to support the development of a sustainable bio-energy market in Montenegro. Climate Focus' analysis included the option of developing policies that would be communicated to the climate secretariat as nationally appropriate mitigation actions (NAMAs). Such NAMAs would support the integration of fuel switch policies with the establishment of a bio-energy market. They would also look into developing a [CDM Program of Activities](#) for fuel switch activities and other future climate finance options, such as forestry sequestration potential from improved forest management practices. and REDD+ opportunities. [Learn more.](#)



From Firewood to Biogas in Nepal The Nepalese government launched a programme under which households can benefit from financial and technical support for the purchase and installation of biogas digesters and gas fired cooking stoves. Climate Focus is supporting the implementing agency in developing this initiative as a [CDM Programme of Activities](#). In Nepal the consumption of firewood far exceeds its annual production, causing deforestation. Over the last years AEPIC, a state agency for promotion of use of renewable energy sources, developed a programme in which rural households can use manure from their cattle to produce biogas for cooking. The programme is called the [Biogas Support Programme Nepal](#). You can download all the documents related to the Nepal Biogas Support Program-PoA via UNFCCC website by following this [link](#).



ETS Trainings in Kazakhstan

Climate Focus, together with experts from the Dutch government, supporting Kazakhstan with the design and implementation of an emissions trading scheme (ETS). Our role is to bring policy-makers and private sector representatives into contact with policy-makers, traders and operators of ETS installations in the Netherlands. Since the Netherlands has participated in the European ETS from the system's inception in January 2005, other countries can benefit from lessons learned in the Netherlands and Europe. [Read more.](#)



Conference on Policy Options for Project Mechanisms in Europe after 2012

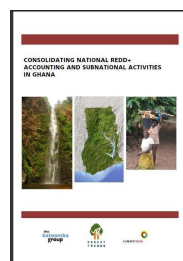
Climate Focus, together with CDC Climat, organized a conference in Paris on 21 January to discuss policy options for project mechanisms in Europe after 2012. The Paris conference brought together EU policy-makers, climate change experts, market-participants and NGOs to assess the outcome of Cancun from the perspective of project mechanisms in the EU, identify the appetite for a new European offsetting mechanism under Article 24a of the EU ETS, and explore the next steps for putting such a mechanism in place. [Read more.](#)



Projects: REDD Methodology Modules Project

The Avoided Deforestation Partners REDD Methodology Modules were approved by the VCSA on 3 December, representing the culmination of over 2 years work by Climate Focus and others. The Avoided Deforestation Partners REDD Methodology Modules were announced by the VCS as a "revolutionary methodology" that represents "a major contribution by AD Partners". The final modules can be used to generate methodologies for projects that reduce emissions from planned and unplanned deforestation and forest degradation caused by extraction of wood for fuel. [Learn more...](#)

RECENT PUBLICATIONS



Consolidating National REDD+ Accounting and Subnational Activities : Applications in Ghana

By Thiago Chagas, Robert O'Sullivan, Carina Bracer and Charlotte Streck

This assessment analyzes options for integrating subnational REDD+ activities into the design of the national REDD+ architecture in Ghana in a way that is consistent with the emerging international REDD+ policy, and its emerging REDD+ priorities. This study provides an analysis of options for integrating ("nesting") subnational into national REDD+ activities within Ghana's emerging REDD+ policy. The authors assess how the various REDD+ policies, programs and projects being developed could work and

In This Issue

Editorial In Focus
Recent Work
Publications
Where to find our staff
Climate Focus News

News

CLIMATE FOCUS PART OF WINNING CONSORTIUM FOR \$20 MILLION USAID ASIA REGIONAL SUSTAINABLE LANDSCAPES PROGRAM

Winrock International, along with SNV and Climate Focus were recently awarded a 5-year, \$20 million cooperative agreement with USAID to implement the new Asia Regional Sustainable Landscapes Program. [Read more.](#)

CP16/CMP6: CUNCUN AGREEMENTS : SUMMARY AND ANALYSIS

As the dust settles on CP16/CMP6 in Cancun, Mexico held from November 29 through December 10, Climate Focus shares with you an analysis of the outcomes of the Cancun Climate Conference in this short briefing document. [Read more here.](#)

CLIMATE FOCUS OBTAINS VCS APPROVAL OF TWO METHODOLOGIES: REDD+ AND BUILDINGS

Climate Focus partnered with Maine Housing and Lee International to develop a Methodology for Weatherization of Single and Multi-Family Buildings, the first approach approved by the VCS to incentivize weatherization of homes. [Read More...](#)

CLIMATE FOCUS SUPPORT TO VCS ASSOCIATION IN NESTED REDD FRAMEWORKS

Based on its experience with the concept and application of sub-national—or nested—REDD activities, Climate Focus begins a year-long work program to support the VCS Association in developing a framework to operationalize jurisdictional and nested REDD. [Read more....](#)

THE UNITED NATIONS SECURITY COUNCIL AND CLIMATE CHANGE: CHALLENGES AND OPPORTUNITIES

Climate Focus legal team member and international lawyer, Darragh

interact with the emerging international REDD+ mechanism. The authors further discuss key requirements for making REDD+ carbon finance accessible at the subnational level and how subnational activities could co-exist with the Ghanaian national REDD+ architecture currently being developed. [Read more](#) or access the document [here](#).

Policy Brief: Role of Climate Finance in Agriculture

By Charlotte Streck and Michael Coren

Climate finance, particularly fast-track funds, offers an opportunity to strengthen food security and drive climate mitigation and adaptation in developing countries. Climate Focus is leading a consortium for DFID to examine how climate finance can incentivize climate mitigation and food security for agriculture in the developing world. [Read more](#) or access the document [here](#).



Other Recent Publications:

[COP16/CMP6: CANCUN AGREEMENTS SUMMARY AND ANALYSIS](#)

[Book reviews: Corporate Responses to Climate Change](#)

WHERE TO FIND US

Climate Focus staff will be present at the following events in the coming months. Please look for us!

March

ABA Update on Cancun (9 March), an online session on COP16 results organized by the American Bar Association. [Read more...](#)

Edinburgh, UK (25 Mar.) Lecture at [Edinburgh Law School](#): 'Towards a Legally Binding Int'l Climate Change Agreement'.

Conway, has published a detailed analysis of the potential for the UN Security Council to act on climate change in the latest edition of [Climate Law](#). To read a whole article click [here...](#)

Contact Us

Climate Focus, B.V.
Sarphatikade 13
1017WV Amsterdam
The Netherlands
Phone: +31 20 262 1030
Fax: +31 20 330 1295

Climate Focus North
America, Inc.
1025 Connecticut Ave, NW
Suite 1102
Washington, D.C. 20036
USA
Phone: +1 202 540 2273
Fax: +1 202 540 2279

Climate Focus, Beijing Rep. Office
B26H Oriental Kenzo, No. 48
Dongzhimen Waidajie
Dongcheng District,
100027, Beijing, China
Phone: + 86 10 84 094 594
Fax: + 86 10 84 094 504
www.climatefocus.com

If you do not wish to receive our newsletters every few months, kindly respond to info@climatefocus.com to opt out.
Please confirm your current contact information at <http://www.climatefocus.com/newsletter/signup/>