

Climate Change and COMACO

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Carbon Markets Overview

- ❑ The Challenge – limit global warming to below 2 degrees C
 - Correlated to 450 PPM CO₂ – currently approximately 390+ PPM CO₂
 - 80% emission reductions by 2050, 2020 mid-term goals being negotiated

- ❑ Emissions growing 4x faster since 2000 than during previous decade from fossil fuel combustion and land use change

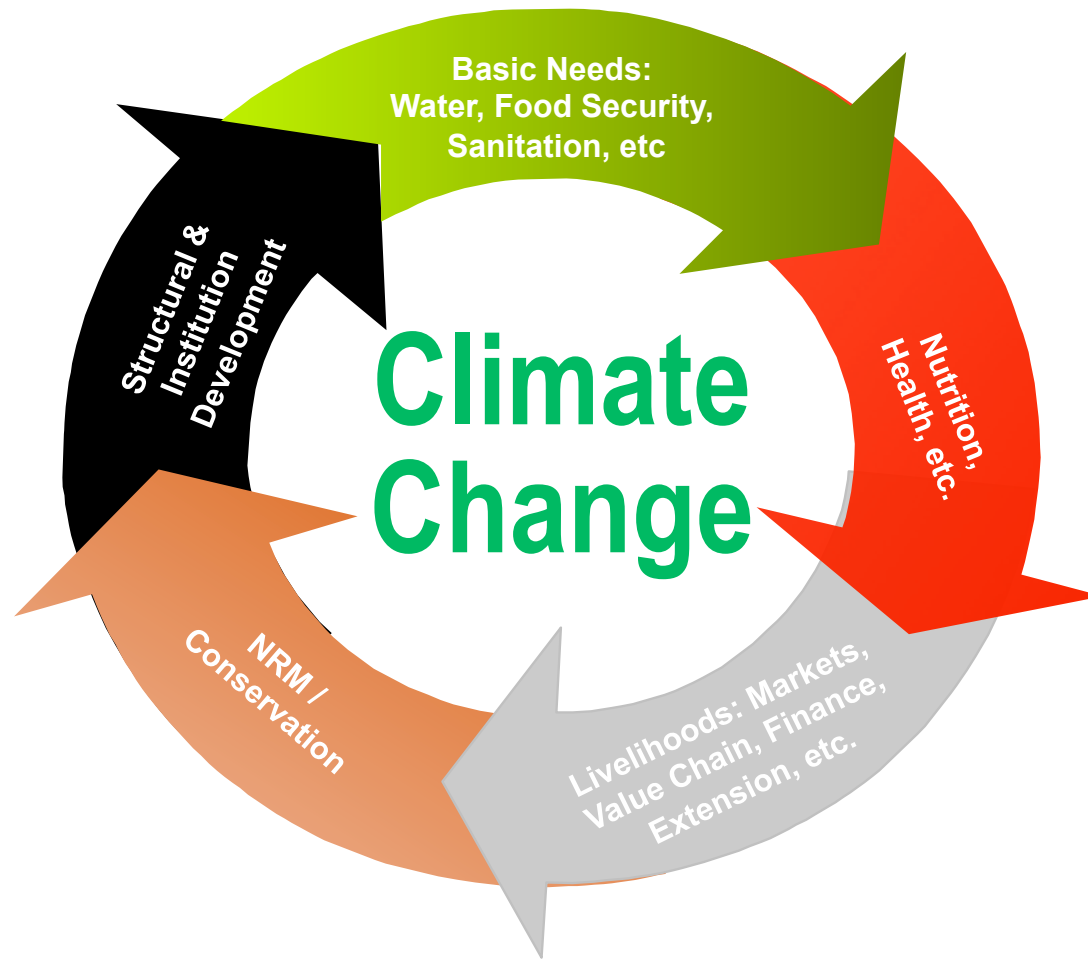
- ❑ World's poorest countries, representing 800 million people, have contributed to less than 1% of total cumulative emissions since 1751 resulting in “climate justice” issues

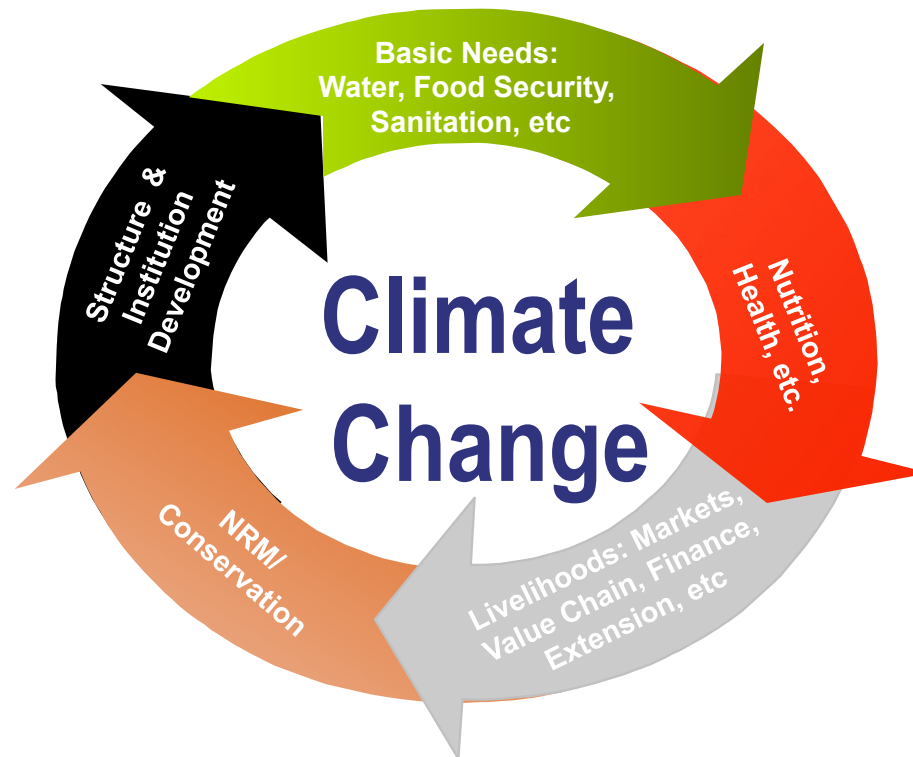
- ❑ Requires far-reaching local, national and international action



Climate Change Realities

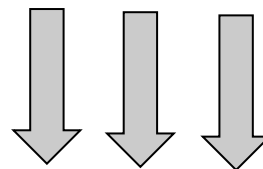
Climate Change and Sustainable Development





Incremental Change & Increased Frequency / Intensity of Climate-Related Extreme Events

Drought **Heat Waves** **Water Scarcity**
Crop Yield Decreases **Flooding** **Changing Disease Vectors**



- Disaster Mitigation**
- Humanitarian Assistance**
- Migration**
- Conflict / Post Conflict**



Carbon Markets Overview



What is a Carbon Credit?



CDM vs. Voluntary Markets

- ❑ CDM (compliance) based off legally binding Kyoto Protocol
- ❑ Voluntary does not implement legally binding requirements



Carbon Markets Overview

- ❑ Annual volumes of project-based emission reduction transactions – note the voluntary portion



Carbon Markets Overview



Carbon Markets Overview



Carbon Markets Overview: CDM Market Basics



Kyoto Protocol Market (Mandatory Market) CDM Offset Process



CDM Issues



Voluntary Markets



Voluntary Markets



Enabling Carbon Markets for Zambia



COMACO and Carbon Finance



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COMACO and Carbon Finance

- ❑ Which Market? CDM or Voluntary (which standard?)
Existing methodology or develop COMACO specific
- ❑ Project Financing – futures contract, emissions reduction purchase agreement (ERPA) or self finance
- ❑ Establish baseline – carbon sequestered vs. business as usual



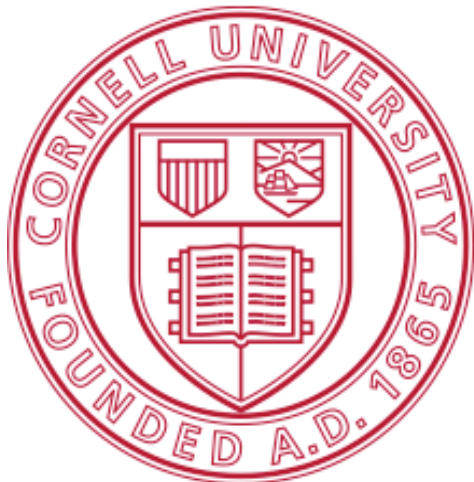
COMACO and Carbon Finance



General Discussion



COMACO



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