

Centre for Legal
Assistance to
Pollution Victims &
the Sandbag Climate
Campaign

Berlin Workshop

October 22, 2014

Bingcheng's talk – Overview

1. CLAPV
2. Milestones of Chinese ETS
3. Roles of different actors
4. CLAPV activities in London



CLAPV

Center for Legal Assistance to Pollution Victims (CLAPV) was established in October, 1998. CLAPV is a research institution on environmental and natural resources law as well as an environmental NGO, registered with Ministry of Justice and approved by CUPL(China University of Political Science and Law). CLAPV mainly consists of environmental law scholars from CUPL, while it also includes legal and technical experts, scholars, lawyers and graduate students who are enthusiastic about environmental protection, some of who are from other universities such as Peking University, Tsinghua University and Renmin University.



CLAPV

THE 2014 RAMON MAGSAYSAY AWARDS

Honoring greatness of spirit and transformative leadership in Asia



Asia's Beacons of Progress

Boldly building hopeful lives in daunting times.

HU SHULI
CHINA

The Foundation recognizes her unrelenting commitment to truthful, relevant, and unassailable journalism, her fearless promotion of transparency and accountability in business and governance, and her leadership in blazing the way for more professional and independent-minded media practices in China.



OMARA KHAN MASOUDI
AFGHANISTAN

The Foundation recognizes his courage, labor, and leadership in protecting Afghan cultural heritage, rebuilding an institution vital for Afghanistan's future, and reminding his countrymen and peoples everywhere that in recognizing humanity's shared patrimony, we can be inspired to stand together in peace.

WANG CANFA
CHINA

The Foundation recognizes his discerning and forceful leadership -- through scholarly work, disciplined advocacy, and pro bono public interest litigation -- in ensuring that the enlightened and competent practice of environmental law in China effectively protects the rights and lives of victims of environmental abuse, especially the poor and the powerless.



RANDY HALASAN
PHILIPPINES

The Foundation recognizes his purposeful dedication in nurturing both his Matigulang students and their community to transform their lives through quality education and sustainable livelihoods, in ways that respect their uniqueness and preserve their integrity as indigenous peoples in a modernizing Philippines.



THE CITIZENS FOUNDATION
PAKISTAN

The Foundation recognizes the social vision and high-level professionalism of its founders and those who run its schools, in successfully pursuing their conviction that, with civic responsiveness, quality education made available to all -- irrespective of religion, gender, or economic status -- is the key to Pakistan's brighter future.



THE CITIZENS FOUNDATION

SAUR MARLINA MANURUNG
INDONESIA

The Foundation recognizes her enabling passion to protect and improve the lives of Indonesia's forest people, and her energizing leadership of volunteers in SOKOLA's customized education program that is sensitive to the lifeways of indigenous communities and the development challenges they face.

Everyone is cordially invited to meet the 2014 Ramon Magsaysay Awardees at the Awards Presentation Ceremonies on August 31, 2014 at the Main Theater, Cultural Center of the Philippines, Roxas Boulevard, Metro-Manila. The ceremonies will start promptly at 4:30 p.m.

Milestones

- **2014-2015** Preparation Stage.
Regulations, technical standards and infrastructure construction.
- **2016-2019** Operating and Improvement Phase
(First stage).
The overall implementation and perfection.
- **2019-onward** Expand stage
Expand the scope of participating companies and trading products, explore connections to the international market.

Emissions Trading in China

实现路径

国家碳排放交易体系各个环节的研究与建设

试运行和逐步完善

全面实施

2014

2015

2016-2019

2019年后

中央

- 编制相关管理文件
- 出台核算报告指南
- 加强基础设施建设

- 推动出台管理文件
- 督促历史数据报告与核查

- 第一阶段
- “五统一”原则下开展碳排放权交易

- 第二阶段
- 扩大覆盖范围
- 完善体系规则
- 研究国际链接

地方

- 开展能力建设活动
- 确定重点单位名单，并组织历史排放报告与核查
- 根据统一方法分配配额

- 每年进行配额分配
- 每年组织排放报告、核查及履约工作
- 根据地方特点参与制度完善创新

企业

- 参加能力建设活动
- 建立内部碳排放核算报告制度
- 履行报告义务，并配合核查
- 排纳入企业可通过CCER参与碳市场

- 履约排放报告及履约责任
- 完善碳资产投资与管理制
- 自愿参与交易降低减排成本
- 积极参与制度完善创新工作

Role of Central Government

- 2014

1. Making management guidelines
2. Carry out a guide to accounting report
3. Strengthen physical infrastructure

- 2015

1. Push for management guidelines
2. Monitoring and verification the reports

Role of Central Government

- 2016-2019

1. First Phase
2. Implement the China's Emissions Trading

- 2019-onward

1. Second Phase
2. Expand coverage
3. Improve the system

Role of Local Government

- 2014-2015

1. Carry out the capacity building
2. Create a “key companies” list
3. Allocate allowances according the regulation

Role of Local Government

- 2016-onward
 1. Allocate allowances every year
 2. Organize the emission report every year
 3. Participate the regular perfection according to the local characteristic

Role of Companies

- 2014-2015

1. Participate in the capacity building activities
2. Develop the regular internal emission report
3. Perform report
4. Participate the emission trading through CCER (Chinese Certified Emission Reduction)

Role of Companies

- 2016-onward
 1. Perform reports
 2. Improve managing carbon assets
 3. Participate in emission trading and cut the emission reduction by voluntary activities

CLAPV Exchange Activities in London

- Met with the IETA (International Emissions Trading Association) International Policy Director Jeff Swart by Skype, discussed the China's ETS (Emissions Trading System) situation, China's local pilots overview and the challenges.

CLAPV Exchange Activities in London

- Prepared the Sandbag's yearly report about EU-ETS in Brussels, emailed the MEP and permanent representation to arrange the meeting time about the MSR (Market Stability Reserve).

CLAPV Exchange Activities in London

- Analysis of the data of the top 3 sectors and the top 3 companies in EU-ETS, to show the relationship between allowance, surplus, and balance.

CLAPV Exchange Activities in London

- Do a presentation in London Metropolitan University, about the Energy Policy in China.

Alex' s talk – Overview

1. Why have an emissions trading scheme (ETS)?
2. How does an ETS work?
3. How does Sandbag work on the EU ETS?
4. Why is China interesting to Sandbag?
5. What does Sandbag want to learn in China?

1. Why have an ETS?

Two possibilities to fight greenhouse gas pollution:

1. Command-and-control regulation;
2. Polluter pays principle:
 - a. Carbon tax;
 - b. ETS.

2. How does the ETS work?

- Number of allowances < Volume of emissions.
- Allowances can be traded.
- The carbon price determines the speed of decarbonisation.
- Two ways to limit the negative effect of a sudden high carbon price:
 - Distribution of allowances: auctioning **and** free allocation;
 - Offset use.

3. How does Sandbag work on the ETS?

Data

Supply

Demand

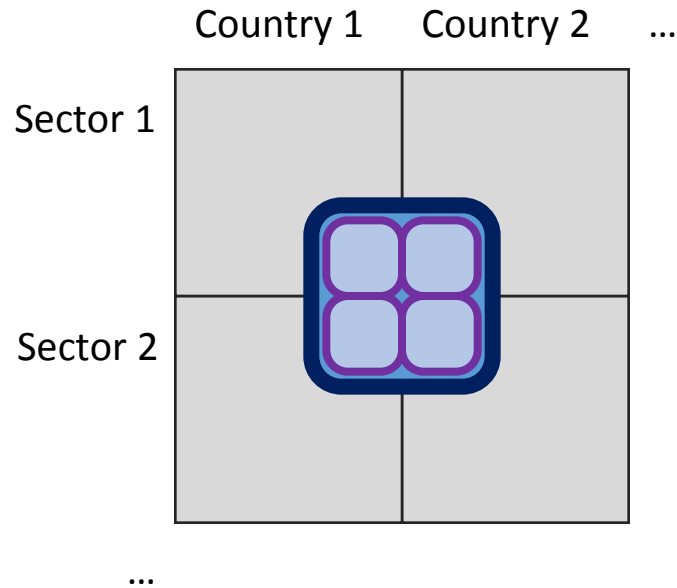
Free allocation

Auctions

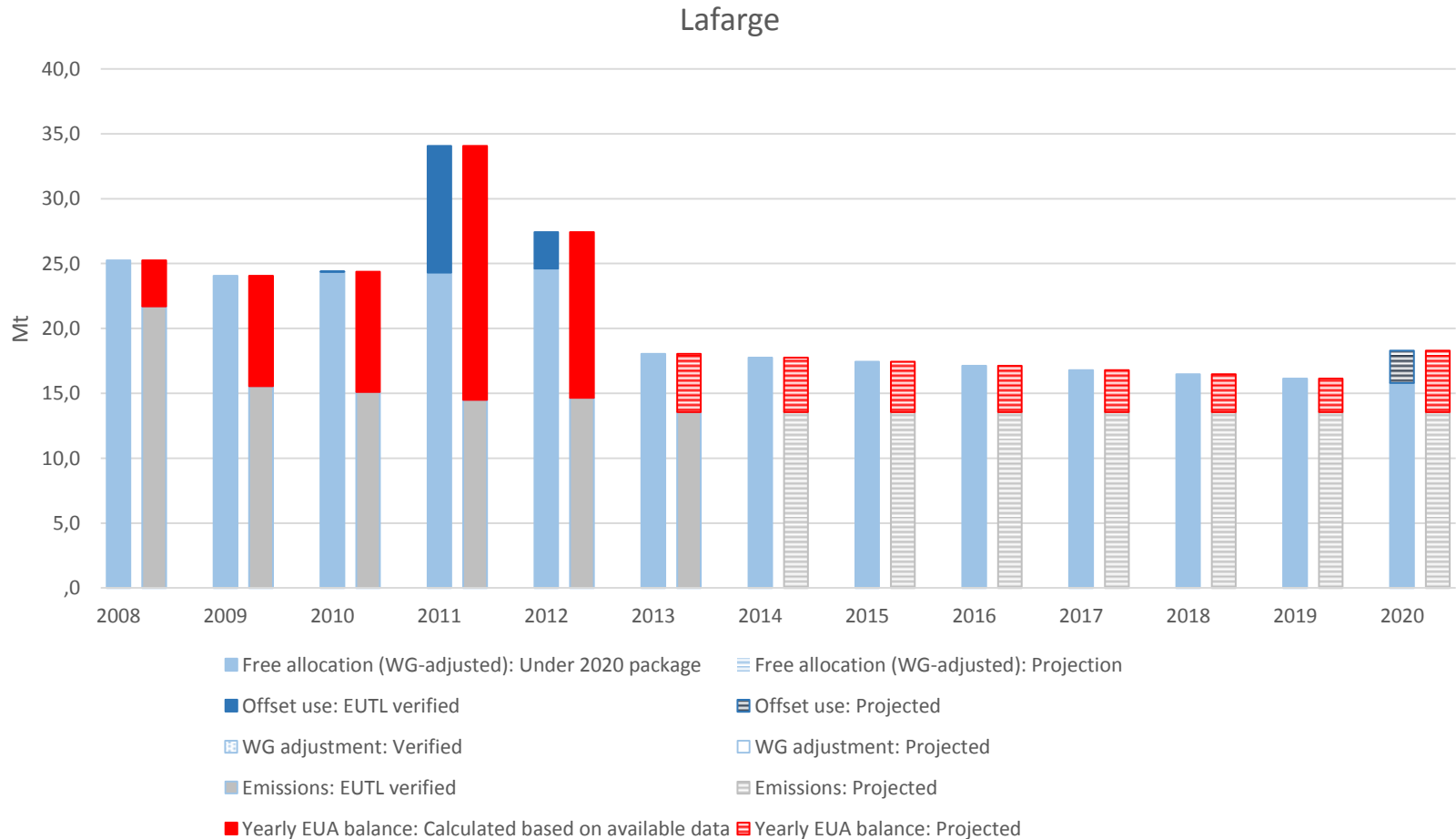
Offsets

Emissions

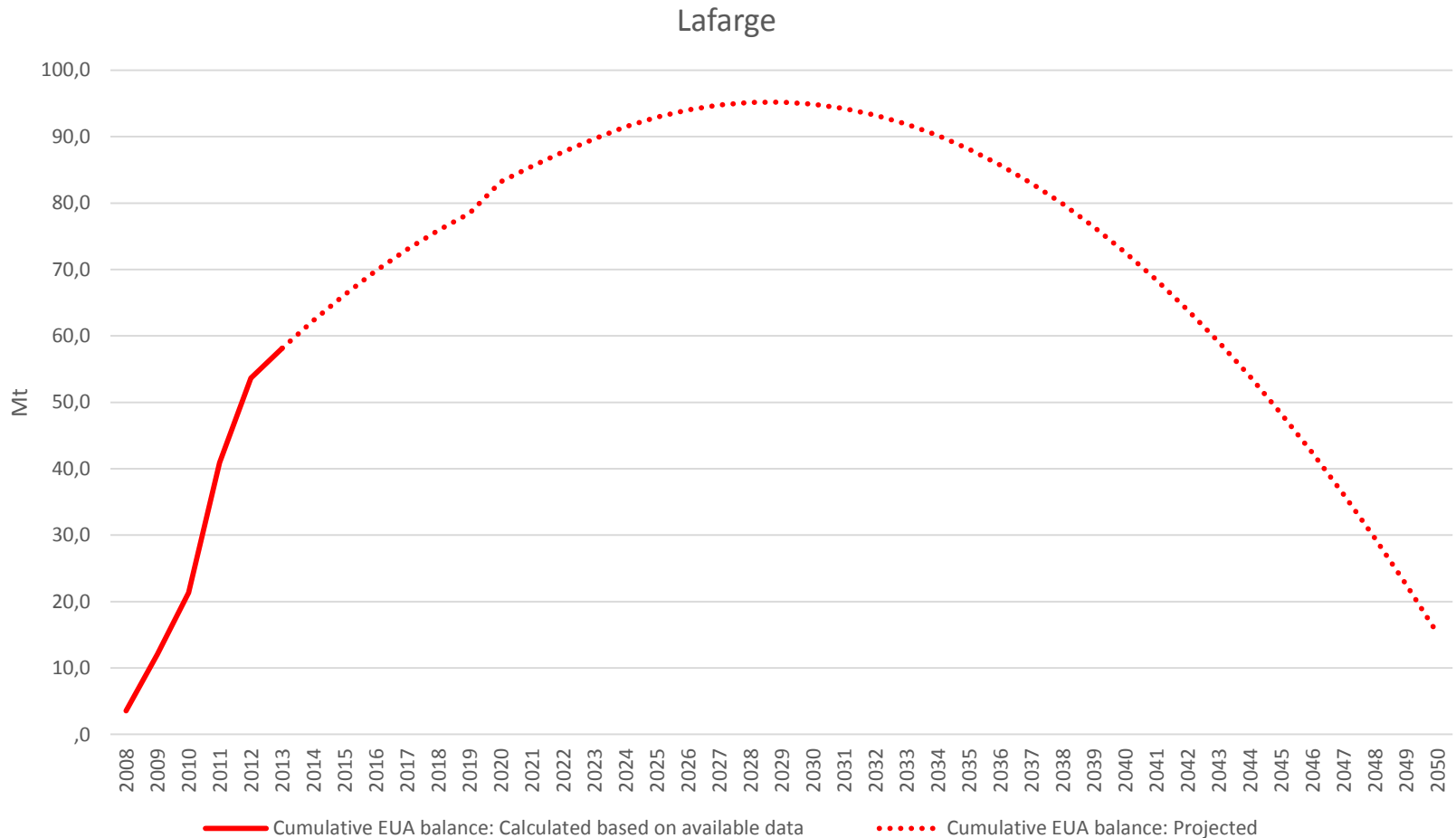
3. How does Sandbag work on the ETS?



3. How does Sandbag work on the ETS?



3. How does Sandbag work on the ETS?



3. How does Sandbag work on the ETS?

We do a lot of:

- Analyses of original policy objectives vs. actual policy goals;
- Projections;
- Legal proposals;
- Direct lobbying;
- Media outreach;
- Construction of policy “landing strips”.

We do much less of:

- Community projects;
- Grassroots activities;
- Civil protests, etc.

4. Why is China interesting to Sandbag?

- Biggest GHG emitter, and growing.
- 7 pilot projects established.
- National ETS possible.
- Double opportunity:
 - Educate Chinese stakeholders about dangerous design errors.
 - Use Chinese ambition to get EU to move faster.

5. What does Sandbag want to learn in China?

a) Possible design features of the national ETS

- Nature of the cap:
 - Absolute: tonnes;
 - Intensity: tonnes/RMB.
- Nature of emissions covered:
 - Direct emissions only;
 - Both direct and indirect emissions.

5. What does Sandbag want to learn in China?

b) Protections against negative effects of prices:

- What is the Chinese carbon price?!
- Will there be any auctioning?
- What kind of offsets can be used?

5. What does Sandbag want to learn in China?

c) Certainty of implementation:

- Who will monitor emissions?
- What happens if companies simply do not comply?
- Will the pilots be linked, or will the national scheme overwrite them?

Thank you!

alex@sandbag.org.uk

office@clapv.org

hongcheng1025@foxmail.com