Survey highlights

- Expectations for future traded volumes are generally positive, and price sentiment is more bullish than last year.
- Opinion is divided on whether Cancun had a positive impact on the carbon markets. Progress around specific issues is expected at Durban, but not the implementation of legally-binding emissions targets.
- Future EUA prices alone are not expected to be high enough in Phase 3 to reach the EU’s 80% GHG emission reduction target.
- The transport sector could be a key source of demand for offsets.
- The CDM is expected to be boosted by EB reform and new market demand, but lose share in a growing international offset market over the next decade.
- Hopes are high for the emergence of trading schemes in Asia before 2016.
Survey highlights

Key findings of the sixth IETA GHG Market Sentiment Survey:

- Expectations for future traded volumes are generally positive, and price sentiment is more bullish than last year.
- Opinion is divided on whether Cancun had a positive impact on the carbon markets. Progress around specific issues is expected at Durban, but not the implementation of legally-binding emissions targets.
- Future EUA prices alone are not expected to be high enough in Phase 3 to reach the EU’s 80% GHG emission reduction target.
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- The CDM is expected to be boosted by EB reform and new market demand, but lose share in a growing international offset market over the next decade.
- Hopes are high for the emergence of trading schemes in Asia before 2016.

The 2011 IETA approach to GHG Market Sentiment

In keeping with the approach adopted for the 2010 survey and report, this year’s survey reflects topical issues and key developments in the GHG market over the previous 12 months to ensure that the results provide relevant insights into the sentiment of GHG market participants. The survey has been designed to complement, rather than duplicate, other carbon market surveys that are conducted during the year.

In addition to the survey, IETA and PwC jointly hosted a round table of leading carbon markets specialists to conduct a more detailed discussion of survey results and issues facing the GHG market. Unattributed quotes from this event are included throughout this report.

About this report

The survey was conducted on behalf of IETA by the PwC International Survey Unit and this report was prepared for IETA by the PwC Sustainability and Climate Change team.

About PwC

PwC (www.pwc.com) provides industry-focused assurance, tax and advisory services to build public trust and enhance value for its clients and their stakeholders. More than 161,000 people in 154 countries across its network share their thinking, experience and solutions to develop fresh perspectives and practical advice.

PwC’s Sustainability and Climate Change team helps both public and private sector clients address the specific and immediate issues relating to sustainability, as well as helping with longer-term strategic thinking. The team has a unique blend of skills, experience and tools, as well as scale and reach in all service areas. Globally the team comprises over 700 sustainability and climate change professionals in 51 countries, with over 100 based in the UK.

For more information, visit www.pwc.com/sustainability
Message from the President and CEO of IETA

Across the world, emissions trading had a hard time in 2010. It took the brunt of a widespread pushback on climate action that was driven primarily by fears for the economy, both specific and general. A combination of the recession, failure of the global carbon market to develop as fast as expected, slow progress with the international negotiations, and pessimism about the US engagement with climate policy have taken their toll on the market confidence. But in the minds of businesses, the ideas of a price on carbon and flexibility in the application of carbon regulation are still very much alive. IETA and other friends of emissions trading have a job to do to help find a politically realistic and economically rational restatement of the reasons to deploy these ideas in policy.

Whatever today’s political twists and turns, the future will inevitably be carbon-constrained. This will impact on business in most sectors of the economy across the world. So IETA is delighted to present the 2011 edition of our GHG Market Sentiment Report, based on a survey conducted over the weeks leading up to Carbon Expo in June 2011. This is our sixth survey of the views of our membership and other major players in the carbon market worldwide, and we believe these results provide an important barometer of carbon market opinion - not only of past and current performance, but expectations of the future from the people who will shape that future.

The survey goes beyond straightforward market sentiment, however. It covers a range of important policy and investment related issues that will impact on market design issues all around in 2011. These include the reformation and extension of the CDM, the future of the Kyoto Protocol post 2012, changes in the EU ETS from 2012, and continued negotiating rounds for a post-2012 international agreement, alongside the creation of domestic carbon markets.

IETA’s membership and outreach covers a broad spectrum of participants from all parts of the carbon market which makes us impartial between sectors and ideally placed to give a broad view. The survey was again undertaken on our behalf by the PwC International Survey Unit to ensure its impartiality, confidentiality and professionalism. We have polled individuals from around the globe for their views, reflecting the expanding nature of international climate politics and broader interest in the carbon markets.

The Report will be published to coincide with Carbon Expo 2011. IETA’s reports and conferences continue to help carbon markets perform a vital public policy task for which it has been created.

I hope that you will find the Report and results of the survey as useful and enlightening as I have. We always welcome all views and suggestions. If your company was not involved this time and would like to contribute to the next survey, please let us know.

Henry Derwent
Carbon market sentiment took a knock after Copenhagen. One year on, the results from our survey suggest that sentiment hasn’t recovered. In the 12 months since our last survey, the main issues for the carbon market were the limited progress made in Cancun, eligibility restrictions in the EU, and carbon fraud which resulted in the suspension of spot trading in early 2011.

The future of the Kyoto Protocol post-2012 remains uncertain - international climate negotiations in Cancun did not provide clarity as to whether there will be a second commitment period. Instead, it delivered a piecemeal agreement that included: targets to reduce emissions by both developing and developed countries; embedding pledges made in Copenhagen; a framework for avoided deforestation; and confirmation of support for emissions trading and project-based mechanisms under the Kyoto Protocol.

Given the decision in Cancun to reform the CDM, there is a prevailing assumption that the CDM will continue post-2012, with or without Kyoto. This is evidenced by agreement made at Cancun to shorten methodology approval timelines and to address some of the governance and technical issues that have historically led to delays in the CDM registration process.

However, the use of CDM project credits post 2012 remains contentious. Decisions made by the Commission in late 2010 are affecting the willingness of investors to develop new projects. The use of HFC-23 and adipic acid N2O project credits in the EU ETS will be restricted as of 1 May 2013. Further, projects registered after 2012 must be in LDCs or in countries with bilateral agreements with the EU for their credits to be eligible under the scheme. Investors are now hoping for sources of demand from new markets such as California, Australia, Japan and, by 2020, even South Korea.

Other changes in the EU include the addition of the aviation sector in the ETS from 2012 which will affect all flights arriving at and departing from EU airports. Many respondents anticipate that the shipping sector will be next. Phase 3 of the EU ETS (from 2013 to 2020) builds on the previous two phases but includes some significant revisions. At least 50% of allowances will be auctioned from 2013 and there will be 100% auctioning to the power sector across most of the EU. Further, the EC’s low-carbon roadmap to 2050 recommended that EU emission reduction targets for 2020 be raised from 20% to 25%. However, the door is still open to adopting a 30% target if there is a new global deal under the UN climate negotiations.

Fluctuations in the price of carbon over the past year reflect the market reactions to many of these events. CER prices have largely tracked EUAs since our last survey, although there has been a widening spread since late 2010. Average EUA prices decreased by 3% from €15.24 in October to €14.77 in November 2010. CERs fell more significantly from a high of €14.10 in mid-October to a November average of €12.25. This was a result of the uncertainty surrounding future restrictions in the EU. EUA prices fell slightly following Cancun and remained at around €14.70 (CERs: €11.60) throughout most of Q1 of 2011. There was no discernable effect on prices due to the suspension of spot trading in early 2011. EUA prices increased to a two-year high of €16.94 in early April, following Japan’s earthquake and tsunami and the subsequent decision by Germany to suspend its expansion plans for nuclear power plants.

It is against this background that we have conducted our sixth survey of GHG Market Sentiment.
Cancun - a step in the right direction?

Opinion was divided on whether Cancun’s outcome was positive for the carbon markets – 38% disagreeing and 28% agreeing with this statement. But a third had no strong opinion either way. Not surprisingly, the reaction to Cancun was less negative than to the previous summit in Copenhagen.

“When talking about the UN process, people focus much more on the failure of Copenhagen than on the success of Cancun.”

Cancun’s piecemeal agreement did not deliver legally binding targets post-Kyoto, but it did help to restore some confidence and legitimacy in the UN process. It also outlined plans for long term financing, the reform of the CDM, supporting adaptation and to create a framework for the REDD+ mechanism. 74% of survey respondents expect to see REDD+ credits under a UNFCCC agreement before 2020. However, only 47% expect these credits in the EU ETS in the same timeframe. Unless other markets emerge, future demand for REDD+ credits may be limited given the restrictions imposed by the EU ETS. This is also the case for CERs and ERUs, despite Cancun endorsing the role of the carbon markets.

“We talked ourselves into seeing Cancun as more of a success than it really was.”

Figure 1. The outcome of the COP was positive for the carbon markets

<table>
<thead>
<tr>
<th></th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
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<tr>
<td>Cancun</td>
<td></td>
<td></td>
<td>7.3</td>
<td>31.2</td>
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<td>Copenhagen</td>
<td>24</td>
<td></td>
<td>47.9</td>
<td>8.7</td>
</tr>
</tbody>
</table>

Neither/nor:

- 18.6%
COP 17 in Durban

For the third consecutive year, respondents think a postponement of a comprehensive agreement under the UNFCCC is most likely, despite Kyoto’s looming 2012 deadline. A second phase of legally binding targets for developed countries appears to be the least likely outcome (76% state unlikely) of those set forth in the survey. Further, over half do not expect increased ambition in national pledges compared to those made in Cancun or commitments by larger developing countries. Indeed nearly three-quarters expect legally binding international emissions targets for larger developing countries only after 2016.

Although expectations for the summit in Durban this year are low, two-thirds of respondents believe that it is unlikely that the negotiations will collapse altogether, even though there may be no agreement under either track in the process at Durban.

Our results suggest that if there is an agreement in Durban, it would most likely be piecemeal, and under the AWG-LCA track (69% likely) rather than the Kyoto track. Our round table of experts expected progress on REDD+, low-carbon agriculture, technology transfer and climate finance.

The latter, in particular, will be a key part of any agreement in this year’s African COP. Evidence of commitments and disbursements of up to US $30bn (‘fast-start’ finance) by developed countries to support developing countries’ climate efforts will no doubt be an area of scrutiny. Expectations will need to be managed.

“There is a possibility of a serious political meltdown with Africa asking: ‘Why are we here? You haven’t even reached the first stage in terms of commitment of money.”

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Figure 2. At COP17 in Durban, how likely are the following:

- Postponement of a comprehensive global agreement under UNFCCC
- Collapse of negotiations and no agreement under AWG-LCA or AWG-KP
- A second phase of legally binding targets for developed countries
- Increased ambition in national pledges compared to those made at COP16
- Commitments by larger developing countries to a timetable for reductions
- No agreement under AWG - KP and a piecemeal agreement under AWG - LCA on issues such as technology and REDD

<table>
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<th>Scenario</th>
<th>Very unlikely</th>
<th>Unlikely</th>
<th>Likely</th>
<th>Very likely</th>
<th>Don’t know</th>
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<tr>
<td>Postponement of a comprehensive global agreement under UNFCCC</td>
<td>4.7%</td>
<td>19.5%</td>
<td>34.9%</td>
<td>32.5%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Collapse of negotiations and no agreement under AWG-LCA or AWG-KP</td>
<td>4.3%</td>
<td>19.3%</td>
<td>34.8%</td>
<td>32.6%</td>
<td>7.4%</td>
</tr>
<tr>
<td>A second phase of legally binding targets for developed countries</td>
<td>4.3%</td>
<td>19.2%</td>
<td>34.7%</td>
<td>32.6%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Increased ambition in national pledges compared to those made at COP16</td>
<td>2.8%</td>
<td>17.2%</td>
<td>44.6%</td>
<td>36.2%</td>
<td>2.9%</td>
</tr>
<tr>
<td>Commitments by larger developing countries to a timetable for reductions</td>
<td>3.4%</td>
<td>17.1%</td>
<td>44.5%</td>
<td>32.1%</td>
<td>2.8%</td>
</tr>
<tr>
<td>No agreement under AWG - KP and a piecemeal agreement under AWG - LCA on issues such as technology and REDD</td>
<td>8.8%</td>
<td>3.2%</td>
<td>18.8%</td>
<td>60.5%</td>
<td>11.6%</td>
</tr>
</tbody>
</table>

(100) (80) (60) (40) (20) 0 20 40 60 80 100
Registry fraud affects investor confidence

The EU ETS hit the headlines in January 2011 when the European Commission took the unprecedented step of closing the national carbon registries following security breaches. 50% of respondents stated that this carbon fraud had a significant impact on investor confidence. Market volatility and volume were also considered to have been negatively impacted but only to a minor extent.

“You get fraud in banks every day of the week, but you don’t give up on capitalism.”

Prices and volumes

Respondents thought that €61-80 was the carbon price range most likely to be necessary to incentivise investment enough to reduce CO2 emissions in Europe by 80% by 2050. The weighted average of all responses was a price just below this range: €60.34. This compares with an expected EUA price range of €21-30 (46%) and an average price of €30.67 during Phase 3 (2010 result: €25.97). It is clear that the average EUA Phase 3 price alone is not expected to be high enough to meet the EU’s 80% target, and other mechanisms will also be required.

Looking at volumes, market sentiment is surprisingly bullish. A third of respondents expect EUA trading to increase between 2012 and 2020 by 0-50%, but nearly a quarter (24%) anticipates growth of 51-100%.

Figure 4. Expected level of increase or decrease in EUA trading volumes between 2012 and 2020

Figure 5. Survey expectation of Phase 3 EUA price
Transport to provide new demand

From 2012, the aviation industry will be required to comply with the EU ETS. 60% of respondents expect this industry to represent a significant source of demand for carbon credits by 2015. This may overestimate demand, as initial emissions caps on the aviation sector are relatively generous (2012 emissions capped at 97% of average 2004-06 emissions, falling to 95% in 2013) with CER and ERU offset usage limited to 15% (during 2012; 2013 to be confirmed).

In comparison, the shipping industry does not have to comply with any carbon emissions limits and is not covered under existing international agreements. There is a possibility this could change as both the IMO and EU are currently considering climate change policy for the shipping sector. Roughly half of respondents expect significant demand for shipping between 2016 and 2020. This result may prove to be hopeful though, given the long lead times for policy implementation (let alone agreement) and the possibility of generous initial allocations of allowances to the shipping industry.

Figure 6. Expected timeframe for shipping and aviation to represent a significant source of demand for carbon credits
Prices and volumes

Our survey respondents generally expect trading volumes to be up during the period 2012-2020, though market sentiment is mixed. In the secondary CER market, 56.5% of respondents think volumes will increase, whereas 24.9% think the opposite. This may reflect a feeling that EU eligibility restrictions, and the emergence of new markets and executive board reform, are pushing the market in opposite directions.

Figure 7. Expected level of increase or decrease in secondary CER trading volumes between 2012 and 2020

Furthermore, price expectations for CERs in Phase 3 have finally recovered from 2009, with the weighted average price expected by respondents this year standing at €24.44, up from €20.76 last year and €21.54 in 2009. These expectations are high relative to the CER Futures prices at the beginning of May 2011 (€15 in December 2010, rising to €17 in December 2020).

Figure 8. Survey expectation of Phase 3 secondary CER price

Our respondents do not expect prices to be sufficiently high to meet global policy goals though. 39.7% of respondents thought that the price needed to incentivise investment enough to get onto a 2°C carbon pathway was between €41 and €60, with the weighted average of all responses being €53.17, more than one-and-a-half times greater than the expected price of €24.44. Both these prices are lower than the expected European carbon prices (see figure 3) suggesting that higher carbon prices will be necessary to meet the EU’s 80% emissions target than the overall global target of 450ppm of carbon in the atmosphere.

Figure 9. Carbon price expectation to meet global carbon concentration target versus expected Phase 3 CER price
The future of CDM

Despite the expected growth in CDM volumes and prices outlined above, our respondents thought that other schemes will eat into CDM’s share of the international offset market. A majority of respondents (61.4%) think that the CDM will make up less than 60% of the market by 2015. Mechanisms such as NAMA and sectoral crediting, and more substantially, REDD+ crediting, are expected to be the ones capturing market share by 2015. This is an interesting result given the early stage of development of these mechanisms at present.

“There is a misunderstanding in government about the extent to which eligibility restrictions will direct investment to particular regions.”

Investment in the CDM is expected to be hit by EU eligibility restrictions (54.9% thought these would have some, or a significant, negative impact on CDM investment). These fears are being reflected in the emergence of products to insure against regulatory change.

“The biggest uncertainty is actually around demand for LDC projects, if you don’t know if there will be a second round of restrictions.”

On the other hand, Executive Board reform and the growth of new markets were expected to boost investment (with 81.1% and 81.7% respectively claiming these factors would have some, or a significant, positive impact on CDM investment). Clearly though, these positive factors are not expected to be enough to stop the erosion of CDM market share globally.

Figure 10. Level of impact on CDM investment levels over the next five years as a result of:

<table>
<thead>
<tr>
<th>Proposed EB reform</th>
<th>Emergence of new markets</th>
<th>Eligibility restrictions in the EU</th>
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<tbody>
<tr>
<td>Significant negative impact</td>
<td>Significant negative impact</td>
<td>Significant negative impact</td>
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<tr>
<td>Some negative impact</td>
<td>Some negative impact</td>
<td>Some negative impact</td>
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<tr>
<td>Some positive impact</td>
<td>Some positive impact</td>
<td>Some positive impact</td>
</tr>
<tr>
<td>Significant positive impact</td>
<td>Significant positive impact</td>
<td>Significant positive impact</td>
</tr>
</tbody>
</table>
“It is difficult to advance the EU ETS on a stand-alone basis without the rest of the world. The competitiveness issue will undermine confidence in the EU ETS and subsequent caps and allocations may be less meaningful.”

**North America**

Attention is now focused on California following halted progress at the federal level in both the US and Canada. California is emerging as a regional leader with its emissions trading scheme due to come online in 2012. In this, it is set to be joined by Québec and British Columbia within the framework of the Western Climate Initiative. Six further US states and two Canadian provinces are working towards joining the scheme at a later date. At the time of writing, implementation in California had been put on hold by the courts, pending further analysis of policy options to reduce GHG emissions.

Expectations of prices in the Californian scheme are mixed with one-third expecting prices to lie within the $11-20 range, another third expect prices to be $10 or less, and the rest not taking a view. Earlier this year, CRTs, expected to be eligible in the Californian market, were trading at around $10.

In particular, there is notable optimism around the involvement of REDD+ in the scheme; 82% of respondents expect REDD+ credits to play an important role before 2020.

Similarly, California and the WCI may play a significant role in encouraging wider national level action. 62% of respondents believe that US regional schemes will be pre-empted by national climate change legislation or merged into a national scheme before 2020. 52% believe this will happen between 2016 and 2020. Interestingly, of the small number of North American respondents to the survey, 83% believe this will happen before 2020.

**Asia & Asia Pacific**

Four of the five countries most anticipated to have trading schemes by 2020 are located in the Asia Pacific region. Despite an uncertain policy environment, our respondents have the most confidence in an Australian market emerging, and nearly half of these thought this would happen before 2016.

Both Japan and South Korea have delayed imminent implementation of schemes until beyond next year. Despite this, more than 40% of our respondents are still confident of a market outcome in these countries before 2016. In comparison, China appears to be ambitiously moving forward with plans to roll out pilot mandatory emissions trading schemes in six regions by 2013 and ramp these up into a nationwide scheme by 2015.

In these new schemes, China, India, Brazil and Chile are expected to be net sellers of offsets in 2020 as they are with CERs today. 62% of respondents expect South Korea to be a net purchaser of offsets. Given it is currently the third largest seller of CERs (having sold over 50m CERs to date), this is a surprising finding. It is not explicable in terms of the region of the respondent; those from Europe, Asia and North and South America all have similar expectations of South Korea. Clearly, hopes of a robust climate change policy with a strong role for international offsets are strong.
About the survey

Conducting the survey

The survey was conducted on behalf of IETA by the PwC International Survey Unit (ISU) in Northern Ireland. The questionnaire was jointly developed by IETA and members of the PwC Sustainability and Climate Change team.

Similar to last year, IETA’s survey was sent to a wide mailing list. Respondents were from all segments of the carbon market including compliance players, project developers, consultants and service providers, governments and government bodies, financial institutions, academic institutions, traders and investors.

Each participant was sent an email with a web-based link to the electronic survey on 7 April 2011.

The survey was ‘live’ for 4 weeks, closing on 5 May 2011. During this period, scheduled electronic reminders were sent to non-respondents.

A total of 328 responses were received – a response rate of approximately 5%. Respondents were primarily based in Europe and North America, with 54% and 17% respectively. A further 8% of respondents are based in China and India, with 6% based in Central and South America. The remaining 15% is split across regions including Africa, Eastern Europe and Russia, Japan, South Korea and Australasia.

This report was prepared for IETA by the PwC Sustainability and Climate Change team.

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Geographical distribution of survey respondents

- **Western Europe**: 53.5%
- **North America**: 16.6%
- **China/India**: 8.3%
- **Latin and South America**: 5.8%
- **Africa and the Middle East**: 4.9%
- **Other Asia**: 3.1%
- **Japan and South Korea**: 3.7%
- **Eastern Europe and Russia**: 2.5%
- **Australia and New Zealand**: 1.5%

Respondents’ roles in the carbon markets

- **Consultant**: 27.6%
- **Company regulated by the EU-ETS**: 19.9%
- **Financial institution**: 10.7%
- **Government entity**: 9.2%
- **Company regulated outside EU-ETS or RGGI**: 8.3%
- **CDM project developer/aggregator**: 1.8%
- **Offset project developer/aggregator**: 1.8%
- **JI project developer/aggregator**: 1.2%
- **Company regulated by RGGI**: 0.3%
- **Other (e.g. research, NGO)**: 19.9%
Survey questions

Issues covered in the survey included:

- What is the geographical location of the respondent?
- What role does the respondent play in the carbon market?
- Was the outcome of COP16 positive for the carbon markets?
- What level of impact will the proposed EB reforms, the inclusion of CCS, eligibility restrictions in the EU, and the emergence of new markets have on investment levels in the CDM / carbon reduction projects?
- When do you expect to see REDD+ credits in the EU, UNFCCC and Californian markets?
- What are the likely outcomes of COP17 in Durban?
- When do you expect to see larger developing countries take on legally binding international emissions targets?
- What negative impact do you expect the recent EU trading fraud to have?
- When do you expect emissions trading schemes to emerge in a selection of countries?
- Do you expect the advanced developing countries to become offset purchasers or sellers by 2020?
- When do you expect the US regional schemes to be pre-empted by national climate change legislation or merged into a national scheme?
- Within what timeframe do you expect that the shipping and aviation industries will represent significant sources of demand for carbon credits?
- What volume and price trends for EUAs and CERs are expected in Phase 3 of the EU ETS?
- What carbon price is needed to incentivise the level of investment required to get onto a 2°C/450ppm pathway and to bring down EU carbon dioxide emissions 80% by 2050?
- What do you expect to be the average price of California allowances during the first three years of the scheme?
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tr>
<td>CDM</td>
<td>Clean Development Mechanism</td>
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<tr>
<td>CDM EB</td>
<td>CDM Executive Board</td>
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<td>CER</td>
<td>Certified Emission Reduction</td>
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<td>CO2e</td>
<td>Carbon dioxide equivalents</td>
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<td>COP</td>
<td>Conference of the Parties</td>
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<td>CRT</td>
<td>Climate Reserve Tonne</td>
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<td>European Commission</td>
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<td>Emission Reduction Unit</td>
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<td>Emissions Trading Scheme</td>
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<td>European Union Emissions Trading Scheme</td>
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<td>GHG</td>
<td>Greenhouse gas</td>
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<td>IETA</td>
<td>International Emissions Trading Association</td>
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<td>Joint Implementation</td>
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<td>LDC</td>
<td>Least Developed Country</td>
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<td>NAMA</td>
<td>Nationally Appropriate Mitigation Actions</td>
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<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<td>PPM</td>
<td>Parts per million</td>
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<td>PwC</td>
<td>PricewaterhouseCoopers</td>
</tr>
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<td>Q111</td>
<td>Quarter 1 of the year 2011</td>
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<td>REDD+</td>
<td>Reduced Emissions from Deforestation and Degradation</td>
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<td>sCER</td>
<td>secondary CER</td>
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<td>UNFCCC</td>
<td>United Nations Framework Convention on Climate Change</td>
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<td>WCI</td>
<td>Western Climate Initiative</td>
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IETA and its members

The International Emissions Trading Association (IETA) is a non-profit business organization created in June 1999 to establish an effective international framework for trading in greenhouse gas emission reductions.

IETA currently comprises 171 international companies from OECD and non-OECD countries who operate in working groups following the major current issues in trading and climate policy.

Our membership includes leading international companies from across the carbon trading cycle. IETA members seek to develop an emissions trading regime that results in real and verifiable greenhouse gas emission reductions, balancing economic efficiency with environmental integrity and social equity.

Further information is available at www.ieta.org

Vision

IETA is dedicated to ensuring that the objectives of the United Nations Convention on Climate Change and ultimately climate protection are met through the establishment of effective systems for trading in greenhouse gas emissions by businesses, in an economically efficient manner while maintaining societal equity and environmental integrity.

IETA will work for the development of an active, global greenhouse gas market involving all three flexibility mechanisms of the Kyoto Protocol: the Clean Development Mechanism (CDM), Joint Implementation (JI) and Emissions Trading, as well as those outside the Kyoto Protocol.