

# RUSSIA: DOMESTIC INSTITUTIONAL FRAMEWORK FOR GHG EMISSION TRADING

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## Outline of Presentation

- Goals of the study
- Major features in DET regime
- Key elements of design
- National specifics in DET regime
- Will Russia ratify Kyoto?

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## Major Idea:

Identify and Evaluate:

- Domestic institutional design for GHG ET regime in Russia
- Current state-of-the-art and possible options in domestic design
- Key design elements and their status
- Overview of existing suggestions
- Interests of major groups and how they might affect the design
- National peculiarities
- Major opportunities and constraints

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## Russia: Key Elements in DET Design

- National GHG inventory
- National registry
- Legal and administrative frameworks
- Allowances allocation
- Selection of participants
- New entrants
- Selection of gases
- Verification and enforcement

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## Proposals on Domestic Legislation

- Law on government regulation of GHG emissions and sinks in Russia
- Law on ownership of emission quota
- Governmental bill on national system for monitoring and registry of GHG emissions and sinks

*Meeting of the RF government, April 2002 'On preparation for ratification of the KP by Russia', Moscow, Press Release N 580*

or

- RF Framework law on KP ratification

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## National Specifics in Allowances Allocation and DET design (1)

Possible options:

- Grandfathering
- Auctions
- Property rights over emission quotas — *focus of current discussion. Who will own emission quota?*

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## National Specifics in Allowances Allocation and DET design (2)

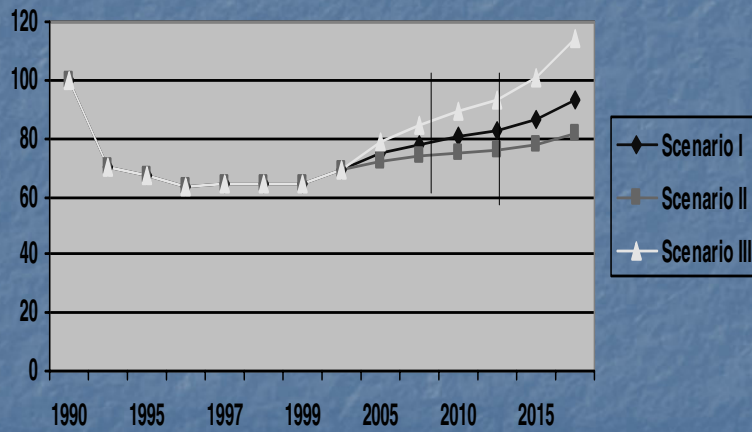
- **New Role of Regions:**
  - Regions: GHG bottom-up inventories in 6 regions: Cheliabinsk, Sakhalin, Sverdlovsk, Archangelsk, Nizhegorodskaya oblasts, Hakassya a/o – 15% of national emission total
  - Regional Institutional Frameworks - pilot regions/schemes
  - Regional administrations — *potentially important actor*
  - *Effects on DET design: on allowances allocation, on nat.registry ...*
    - *Federal government → Entities*
    - or*
    - *Federal government → Regional Administration → Entities*
- **New Role of Business**  
RAO UES GHG inventory 1990-2000 30% of national emission total
- **Costs for society** — *potential for social conflicts in the future*<sup>7</sup>

## WILL RUSSIA RATIFY KYOTO?

### Milestones in ratification process

- Duma Hearings (Ecological Committee) on UNFCC and KP  
18 June, 2001 Moscow
- “On preparation to ratification of the KP to the UNFCCC”  
Session of the RF Government, April 11, 2002
- “Russia has signed the KP and now we are preparing for its ratification. This ratification we hope will take place in the near future”  
M.Kasyanov, RF Prime-Minister, 3 Sept, 2002, WSSD, Johannesburg
- “We are positive about this process and the aims of the KP. We intend to ratify it after some technical details will be assessed by the experts”  
V.Putin, RF President, 4 Sept, 2002, Moscow
- Russian National Experts Report on Climate Change. Dec, 2002
- TO BE, OR NOT TO BE?

**Fig.1. Carbon Dioxide Emissions in Russia (*emission index, 1990-100%*)**



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**Major parameters for 3 Scenarios (% per year)**

	Scenario I	Scenario II	Scenario III
GDP	+5.2	+3.3	+4.5
GDP energy intensity	-3.7	-2.5	-2.0
Energy consumption	+1.5	+0.8	+2.5
CO <sub>2</sub> emissions	+1.5	+0.8	+2.5

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