

## **Brazil, Developing World Weigh New Ideas for Paring Emissions**

By **JEFFREY BALL**

Staff Reporter of THE WALL STREET JOURNAL

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MONTREAL -- Brazil and other developing nations are discussing ways to increase their efforts to stem emissions of gases believed to cause global warming, potentially raising interest in a nascent international market for emission credits and altering the politics of climate change.

A United Nations conference here on global warming ended Saturday with the industrialized countries that ratified the Kyoto Protocol agreeing to start talking about more-extensive emissions cuts after Kyoto expires in 2012. Industrialized nations that ratified Kyoto face a collective 5% emission-reduction target below 1990 levels by 2012.

How far the talks will go is unclear. Emissions are rising in many of these countries. The U.S., the world's top emitter, didn't ratify the accord. Throughout the conference, the U.S. was criticized as a spoiler in the world's push to curb emissions. The U.S. did agree to talks on emission-reduction measures, but the negotiations will be nonbinding and won't lead to discussions about mandatory targets.

The Kyoto treaty also doesn't impose emission caps on developing countries such as China, India and Brazil. Brazil and several developing countries broached the idea of voluntarily raising their own reduction efforts if the world's rich countries would compensate them.

These moves could intensify trading in the international "carbon market," a fledgling system under which countries and companies buy and sell the rights to emit gases believed to cause global warming. The market was a component of the Kyoto treaty, intended to reduce the cost of compliance with the pact's caps by letting governments and businesses bankroll emission reductions wherever those cuts are cheapest.

One potential source of those credits is the developing world. But the exchange of credits between developed and developing nations has sputtered, frustrating officials in developing countries, who were led to believe Kyoto's carbon market would bring foreign investment. Money from the industrialized world would be a "major incentive" in aiding Brazil's antideforestation policy, said Marina Silva, its environment minister. She said moves to intensify reduction efforts also might force the hand of U.S. officials, who have cited the lack of caps on developing countries as a reason the U.S. shouldn't take on targets.

Harlan Watson, the U.S.'s chief climate negotiator, called the idea of voluntary moves by developing countries "an encouraging sign." Whether it will affect the U.S. position, he said, depends on "how it plays out."

**Write to Jeffrey Ball at [jeffrey.ball@wsj.com](mailto:jeffrey.ball@wsj.com)**