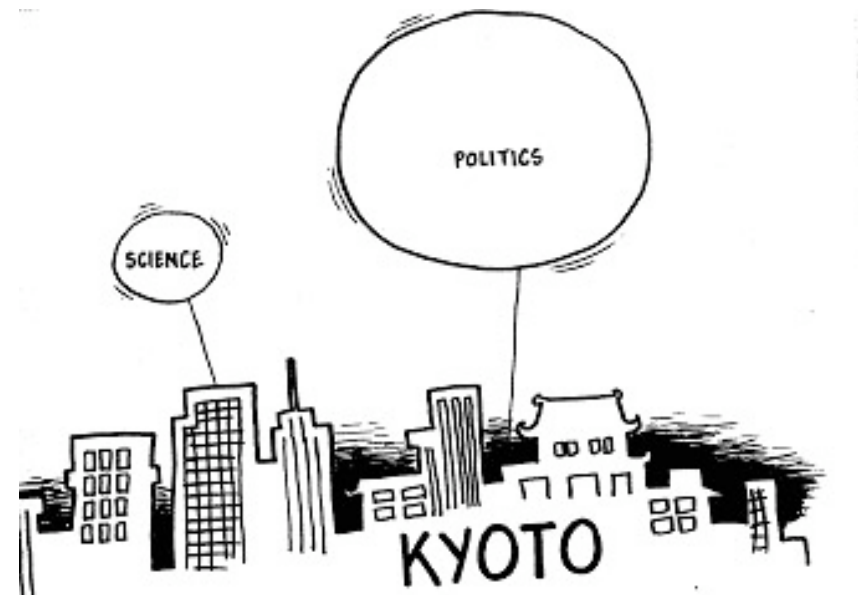


# What <2°C means for developed countries

## Putting the science back into the political process

Matthias Duwe  
Climate Action Network Europe

EU post-2012 stakeholder conference  
15th October 2008, Brussels



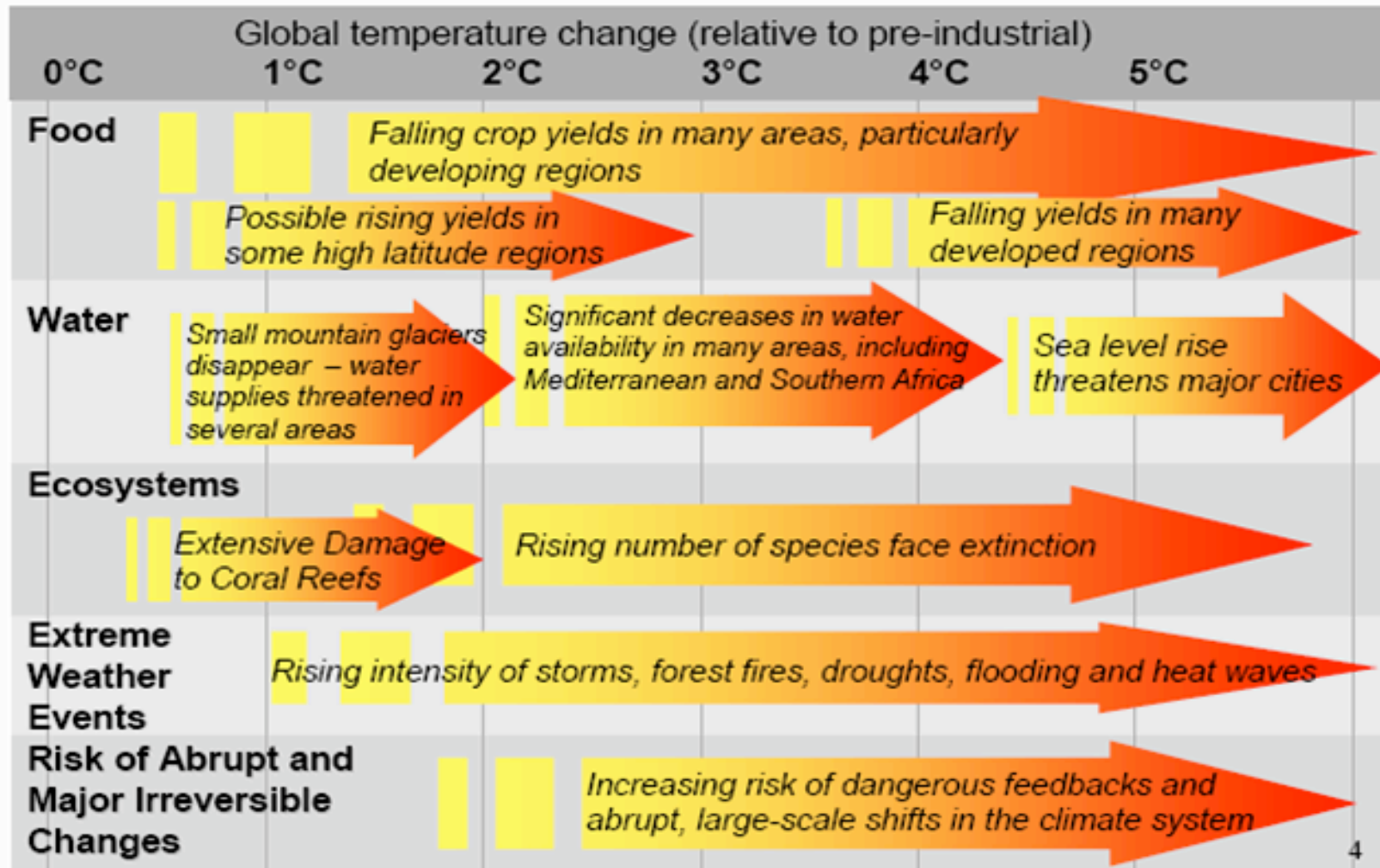
# Who we are



# Avoiding dangerous impacts



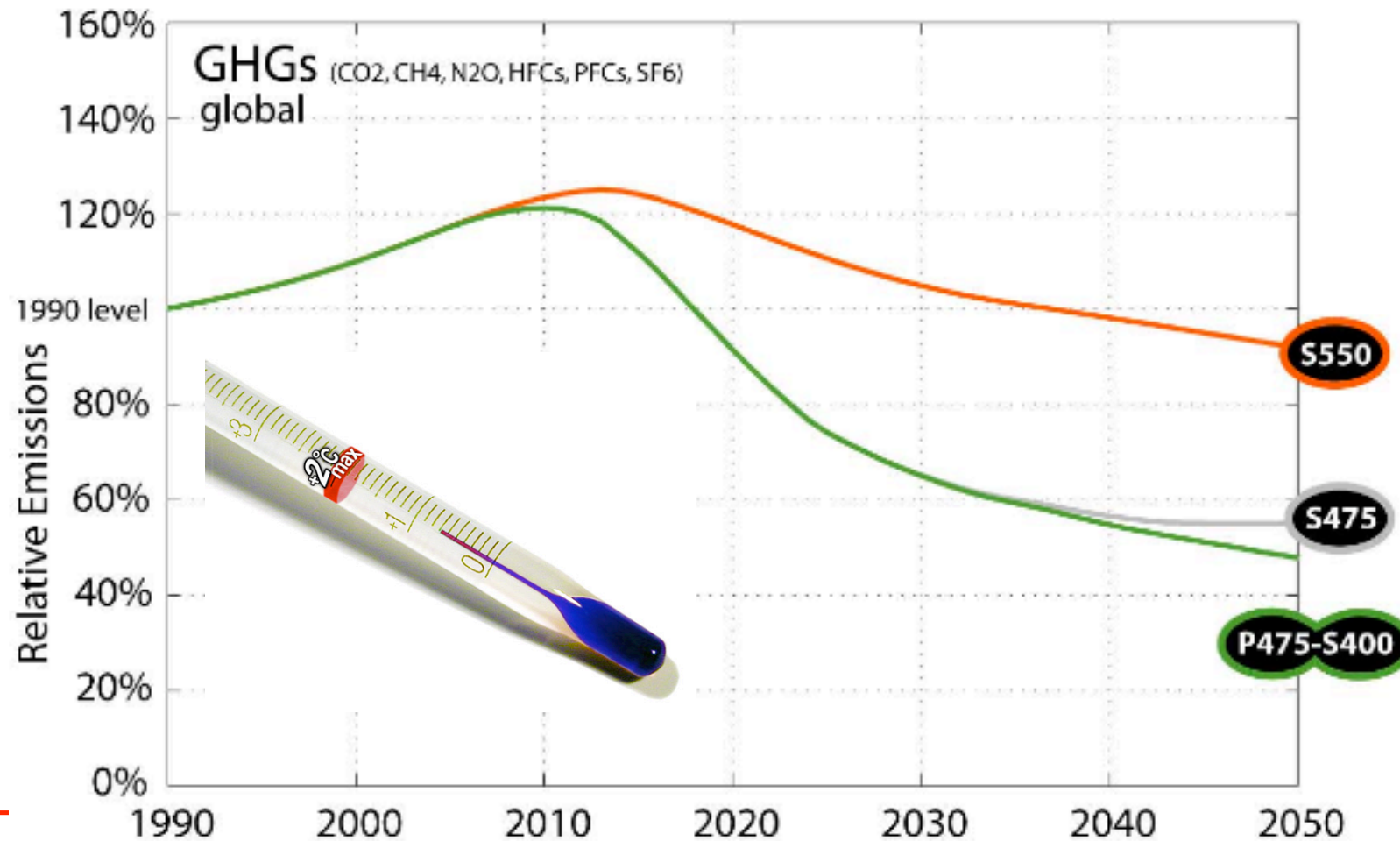
## Projected Impacts of Climate Change



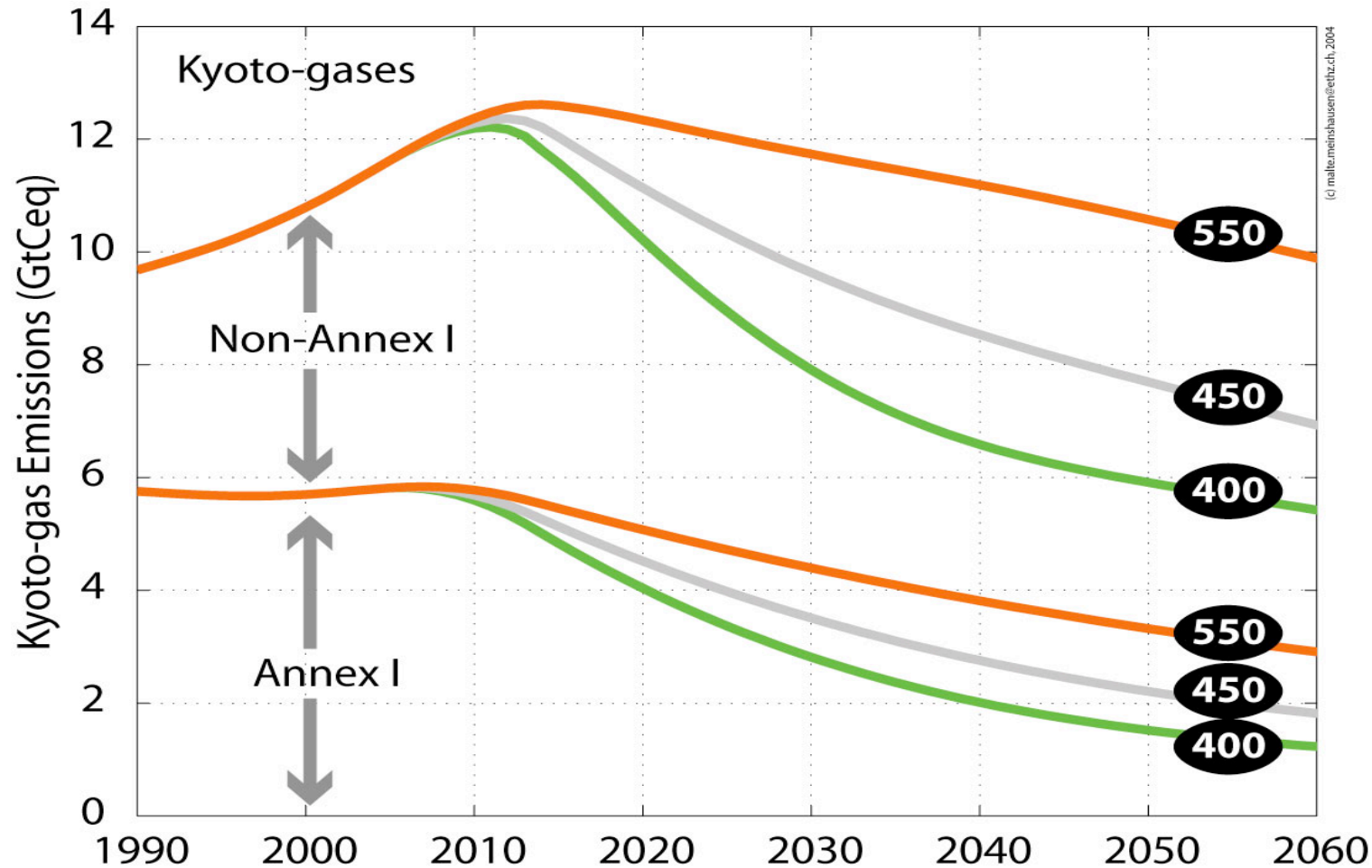
Source: IPCC

# A global challenge...

**<2°C = global emissions peak by 2015, at least (!) -50% by 2050**

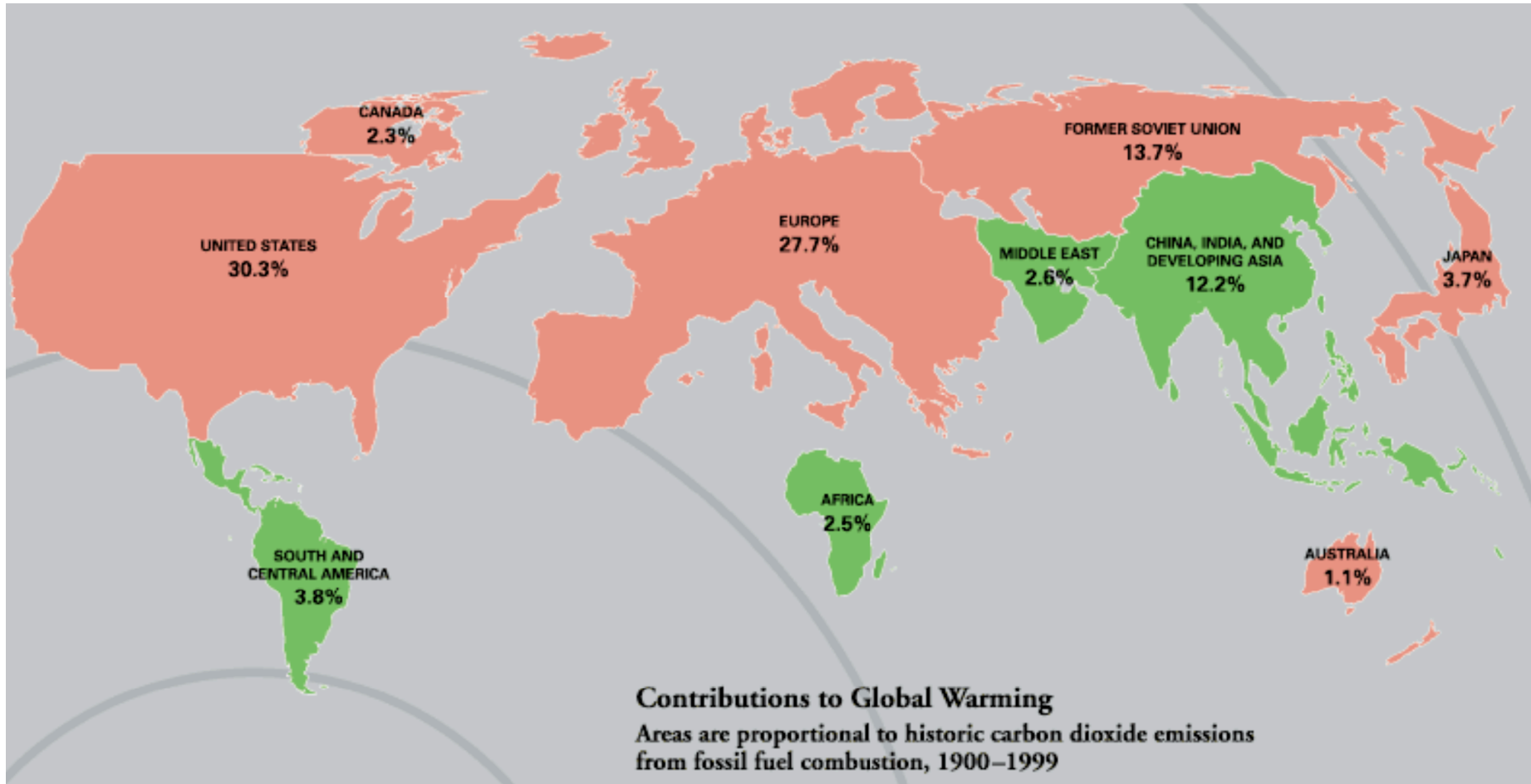


...needs to consider all sides...



Note: The Annex I and Non-Annex shares of global emissions (here GWP weighted emissions of fossil CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, excluding landuse CO<sub>2</sub>) are based on the respective shares within 54 SRES and Post-SRES scenarios. For details, see background paper on the applied EQW method (Meinshausen et al. submitted). Consequently, the presented shares will differ, if emission allocation schemes are applied for differentiated emission reduction commitments in the future.

...including the equity dimension...



...and agree differentiated action.



**Table 1. Necessary change in emissions by 2020 for different stabilization levels (IPCC 2007, Box 13.7; Den Elzen and Höhne 2008).**

Scenario category	Global average temperature increase	Annex I	Non-Annex I
I: 450ppmCO <sub>2</sub> eq	2.0 - 2.4°C	-25% to -40% below 1990	<ul style="list-style-type: none"><li>• Substantial deviation from baseline in Latin America, Middle East, East Asia and Centrally-Planned Asia</li><li>• Non-Annex I total: -15% to -30% below baseline</li></ul>

Source: Höhne & Ellermann 2008, EP ENVI report

Ergo: we need two separate targets



1. Ambitious, absolute domestic cuts in developed countries (-25 to -40%)
2. Concrete support for mitigation actions in developing countries

These two elements need to complement each other, 2 is additional to 1!

Implications for the EU are twofold:

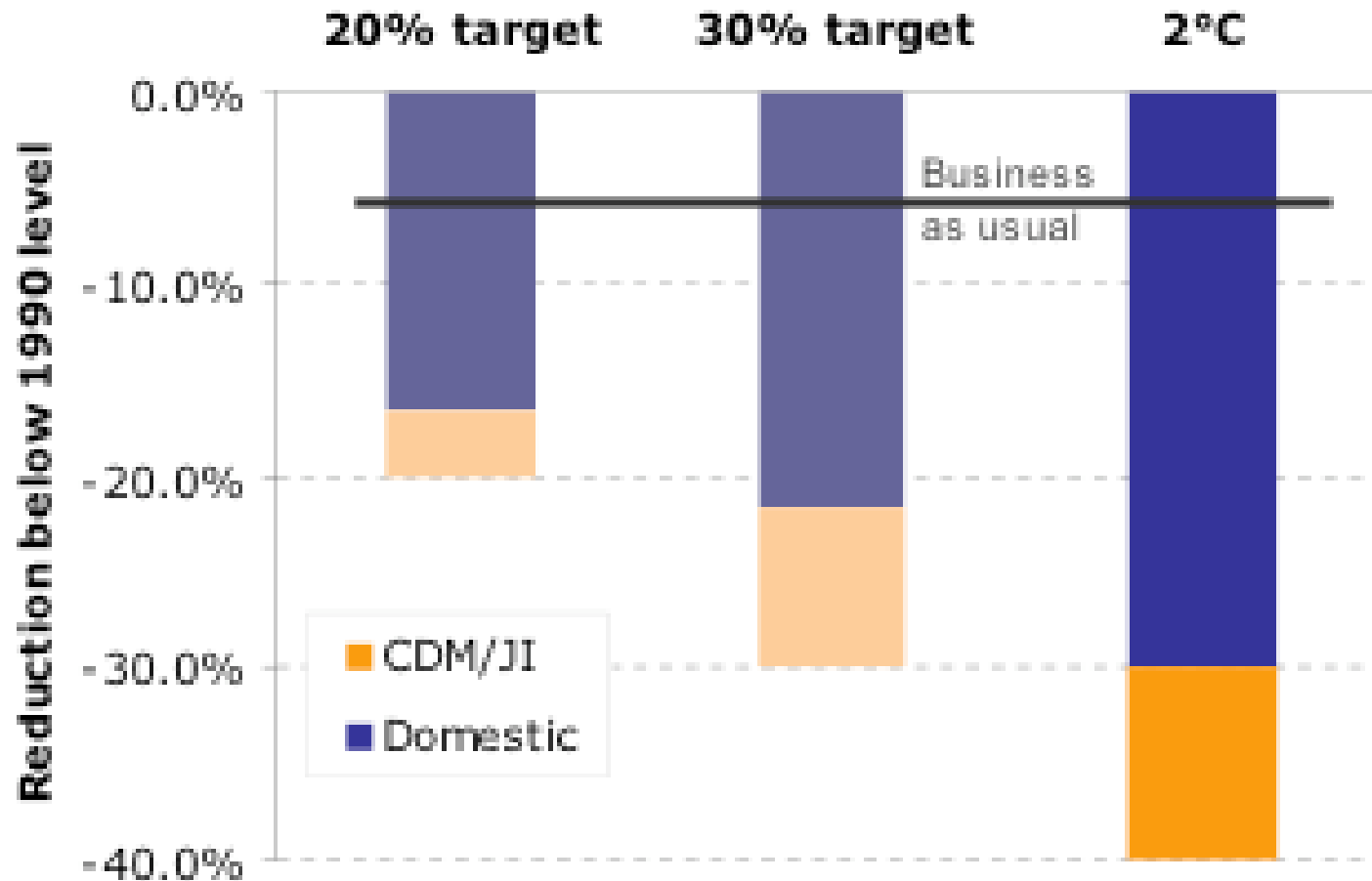
- a) level of the reduction target
- b) use of offset credits

This still assumes additional action from developing countries to be taken (no regrets measures)





# Domestic action PLUS support (not minus offsets)

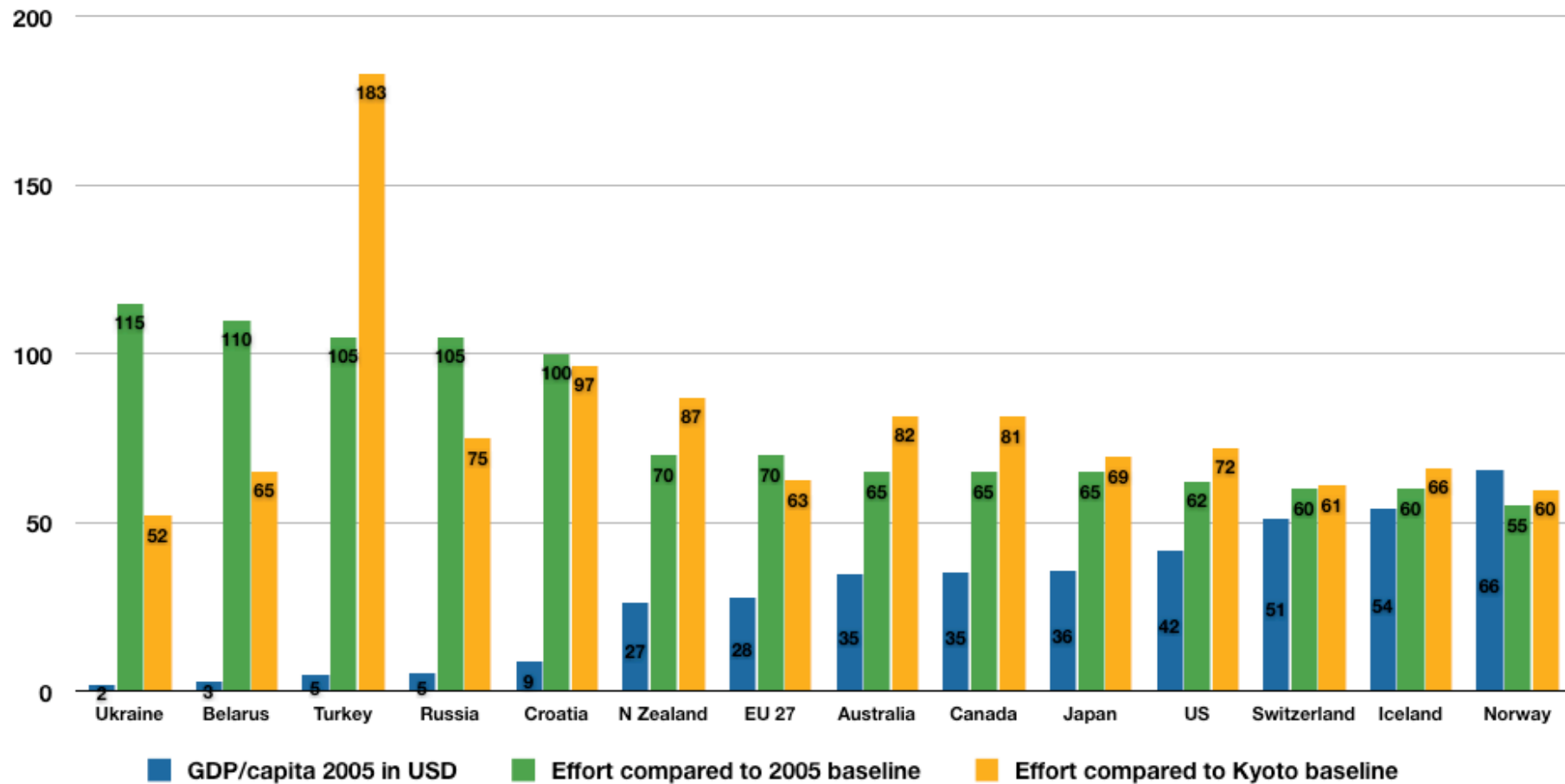


Source: Höhne & Ellermann 2008, EP ENVI report

# Comparability of efforts: criteria



Annex I (-30% comp to Kyoto baseline) 2020 effort sharing based on a 2005 GDP/capita approach



# Carbon markets: domestic role

---

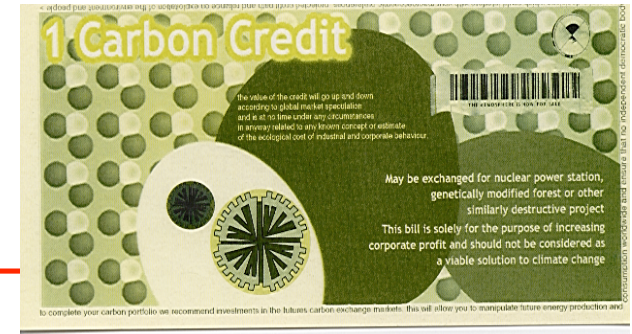


- Long-term reduction targets needs to define the policy toolbox:  
**transformation of our carbon-based economies**
- Carbon price signal important element (taxes, trading,...)
- EU ETS experience: both pros and cons. En route to improvement (?)
- ETS as one of many tools, best in combination, not isolation
- Sectoral differentiation of policies useful under current circumstances
- Level of ambition and strictness of design define the success

Important question: linkage of domestic and global carbon market

# Carbon markets: globally

---



Issue at the heart of the overall question of **who does what (where)**

- Current experience limited, and not that positive on some levels
- Trading between capped economies relatively unproblematic, but...
- Time for (focus on) offsets from uncapped regions must be over!
- Post-2012 CDM(+) needs reform & to move beyond project basis
- CONSIDER: link between market and financing (auctioning, levys)

*REPEAT: Support for mitigation action in developing countries must be  
ADDITIONAL to domestic reduction targets & any offsets to meet them*

# Tailoring mechanisms to fit

---



- CDM experience: one size (system) does not fit all
- Market based investment flows follow investor confidence (Asia first)

Examples of actions underway that need to be recognised and supported:

- Sectoral domestic caps being explored in some countries (South Korea)
- Renewable energy targets in Philippines, India,... REDD targets in Indonesia
- LDCs need electrification programmes, combination with adaptation policies

The carbon market in its current form cannot deliver adequate support for all

## **The post-2012 system needs to create additional mechanisms**

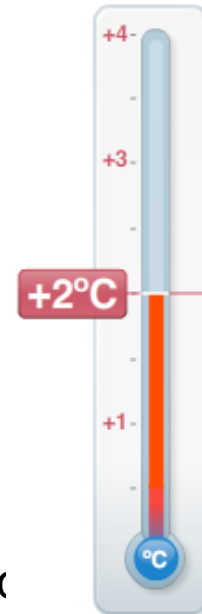
- Non-GHG credit generating mechanisms required for broad distribution
- FUNDing for Sustainable Development Policies and Programmes

# Conclusions



## Essentials for the post-2012 system

- Developed country reductions at the source, at home. Period.  
(Domestic set of policies to help achieve the reductions, including ETS)
- Support for developing country mitigation is separate and additional
- Market mechanisms can play a role in channeling investment
- Non-market mechanisms need to be created to provide additional incentives and cater to wider range of possible actions and country needs



**Europe has the possibility of combining all these elements in the Climate and Energy Package right now: Targets, Mechanisms and Financing**



Thank you very much for your attention

More information also on our website @ <http://www.climnet.org/>

Matthias Duwe, Director, Climate Action Europe, Brussels