A photograph of the Earth as seen from space, showing the curvature of the planet, the blue atmosphere, and the white clouds. The sun is visible in the upper center, creating a bright lens flare effect.

**Global leadership
means**

Domestic Action
An NGO response

Tomas Wyns

EU ETS conference
Ljubljana 20-12 March 2008

The world is watching

The sceptics/cynics: hoping that the EU will fail to implement and execute good climate change policies

Other industrialised nations: what can they learn from the EU (best practice)? Can they follow in the EU's footsteps?

Developing countries, India and China in particular: Common but differentiated responsibilities. Can strong EU action make them move (more)?

IPCC AR4 WGIII report



Box 13.7 The range of the difference between emissions in 1990 and emission allowances in 2020/2050 for various GHG concentration levels for Annex I and non-Annex I countries as a group^a

Scenario category	Region	2020	2050
A-450 ppm CO ₂ -eq ^b	Annex I	-25% to -40%	-80% to -95%
	Non-Annex I	Substantial deviation from baseline in Latin America, Middle East, East Asia and Centrally-Planned Asia	Substantial deviation from baseline in all regions
B-550 ppm CO ₂ -eq	Annex I	-10% to -30%	-40% to -90%
	Non-Annex I	Deviation from baseline in Latin America and Middle East, East Asia	Deviation from baseline in most regions, especially in Latin America and Middle East
C-650 ppm CO ₂ -eq	Annex I	0% to -25%	-30% to -80%
	Non-Annex I	Baseline	Deviation from baseline in Latin America and Middle East, East Asia

Notes:

^a The aggregate range is based on multiple approaches to apportion emissions between regions (contraction and convergence, multistage, Triptych and intensity targets, among others). Each approach makes different assumptions about the pathway, specific national efforts and other variables. Additional extreme cases – in which Annex I undertakes all reductions, or non-Annex I undertakes all reductions – are not included. The ranges presented here do not imply political feasibility, nor do the results reflect cost variances.

^b Only the studies aiming at stabilization at 450 ppm CO₂-eq assume a (temporary) overshoot of about 50 ppm (See Den Elzen and Meinshausen, 2006).

Source: See references listed in first paragraph of Section 13.3.3.3

Time is running out



Stay below 2°C

10 years left for

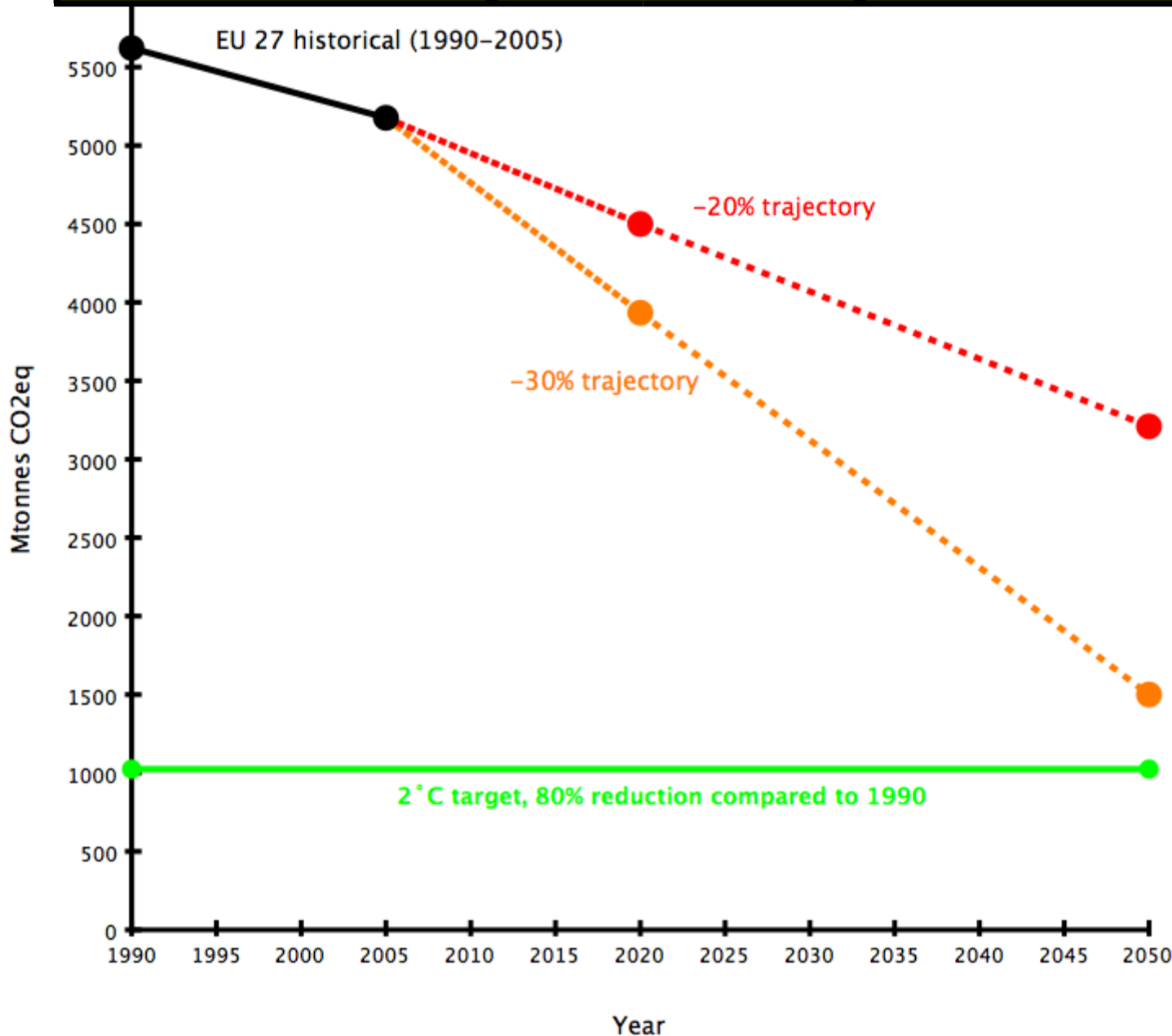
- Global emissions to peak
- Emission reductions of 25-40% compared to 1990 levels by 2020 in industrialised countries

40 years left for

- Global emissions to be reduced by 50%
- Emission reductions of at least 80% compared to 1990 levels by 2050 in industrialised countries



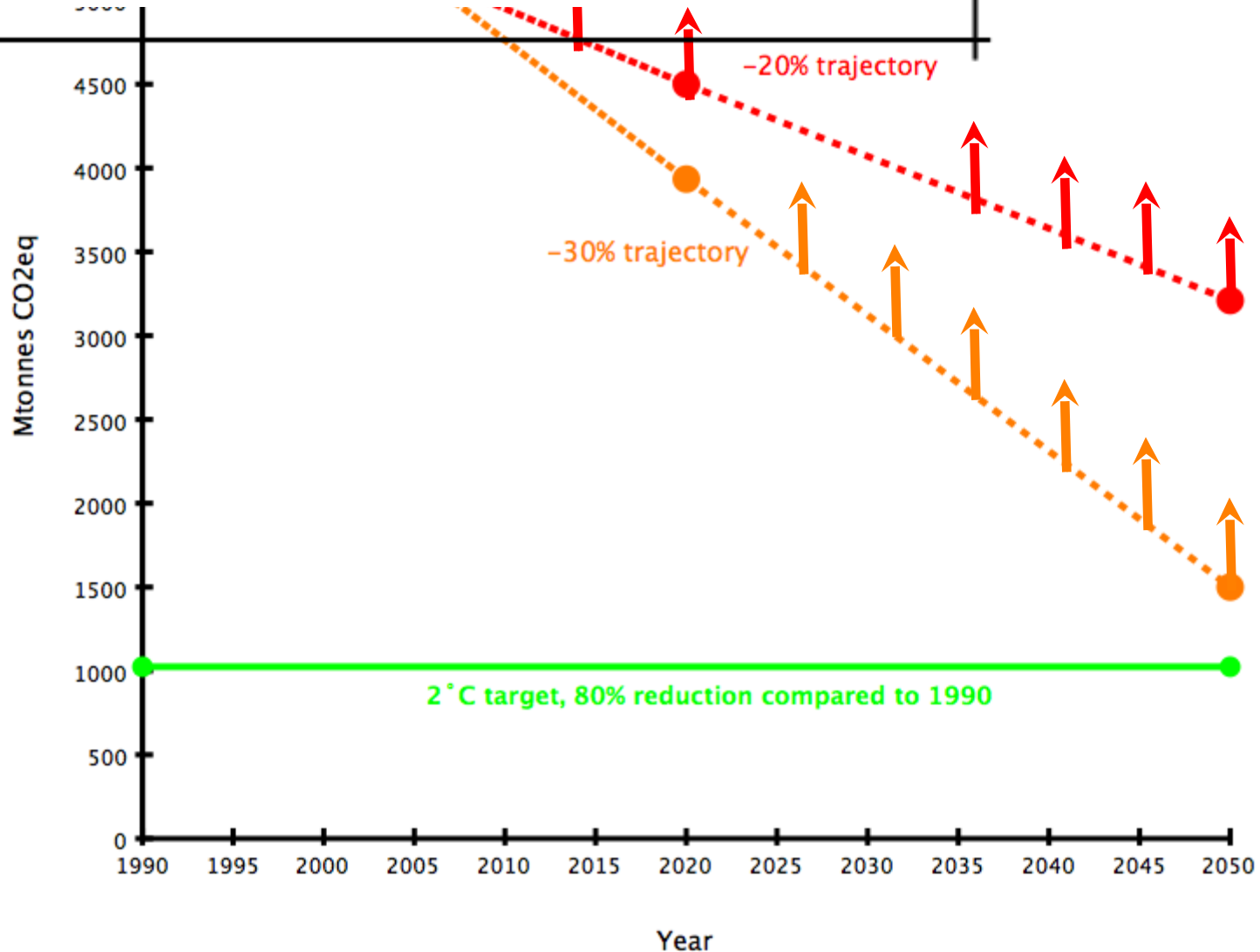
-20% reduction by 2020 is clearly not sufficient



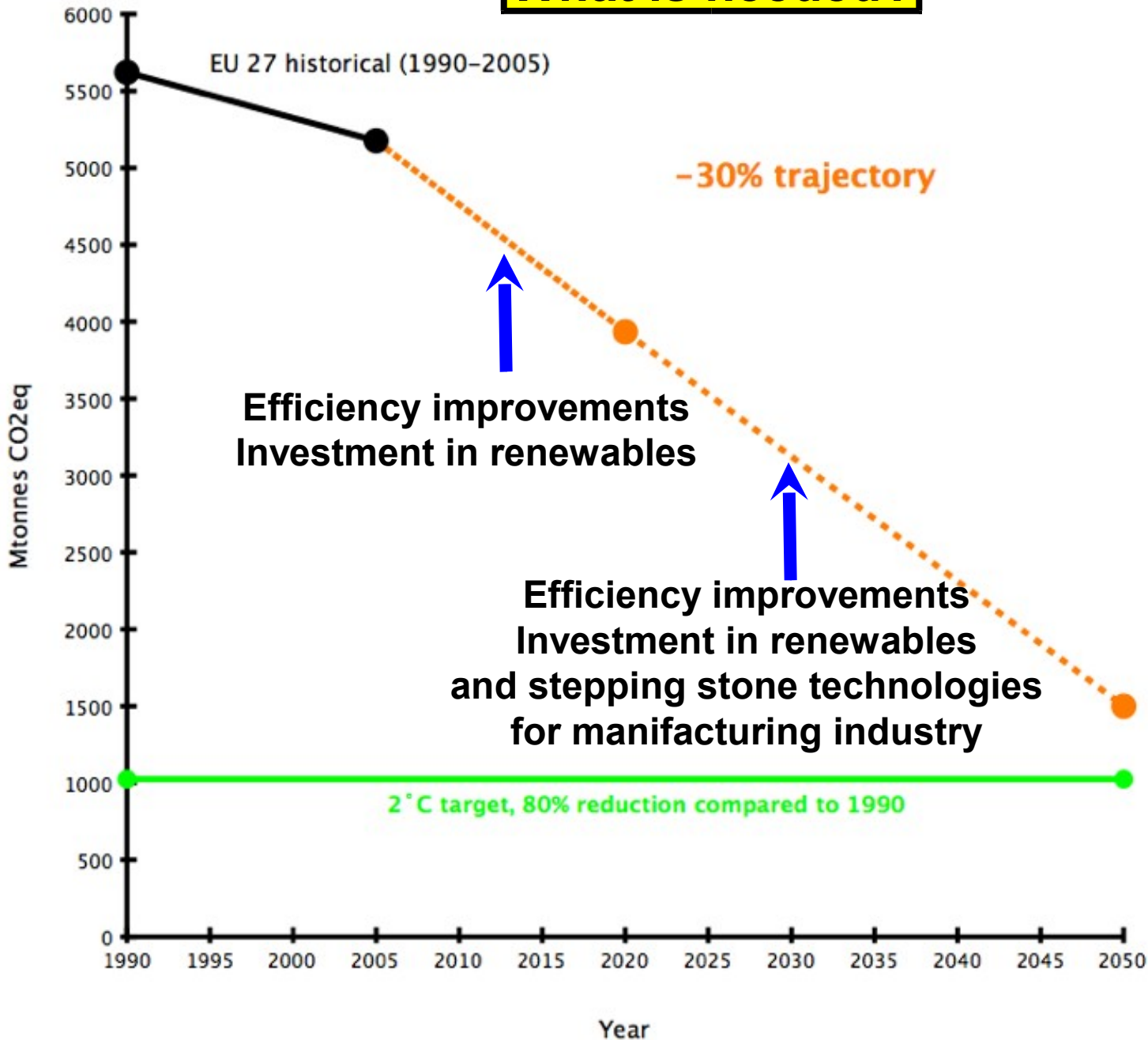
Use of external credits are only in a best case scenario
a global zero sum game (additionality)!

stabilisation
N
ipe

Common but differentiated responsibilities
of ANNEX I and non-ANNEX I countries under UNFCCC



What is needed?



Will the Climate/energy package make this happen?



30% domestic reductions by 2020 is achievable but plenty of missing policy links...

- Weak compliance and enforcement (int'l credibility?)
“Non-EU ETS reporting, compliance and enforcement should be at the same level of EU ETS”
- Targets are there but policy instruments are missing:
 - Binding 2020, 20% energy efficiency target
 - Ambitious review of Energy performance of buildings directive
 - CO₂ and cars (long term targets, efficient penalty system are missing)

Will the Climate/energy package make this happen?



At least 80% reduction by 2050: motivating carbon prices

- Wide-scale deployment of renewables and energy efficiency in the EU
- R&D and market introduction of stepping-stone low carbon technologies in key industrial sectors (cement, steel and chemicals)

The above will not happen without putting a “push” price on carbon:

- **Create significant scarcity in the EU ETS market**
- **Avoid off-setting because this inflates the EU ETS cap --> less scarcity --> lower EUA prices**
- **Fully auction the emission allowances to transmit the price through the whole production chain**

From off-setting to in-setting

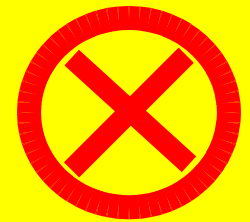


PARADIGM

**At 20-30% reductions in EU 27 by 2020
compared to 1990**



Use of external credits



**At least 30% domestic reductions
in EU 27 by 2020 compared to 1990**



**Binding investments from EU 27 in non ANNEX I
(e.g. use of auctioning revenues for adaptation/tech transfer)**



Second option is the best guarantee:

- to achieve the **long term Climate stabilisation goal (<math><2^{\circ}\text{C}</math>)**
- for **development and investment in energy efficiency, renewables and stepping stone low carbon manufacturing technologies**
- for **sustainable technology transfer and distribution and GHG mitigation actions in non-ANNEX I countries**
- And for the **realisation of a post 2012 global agreement on Climate Change (see next slide)**

The bigger picture....



**Reductions in line with Climate science:
EU reduces at least 30% domestically by 2020
and 80% by 2050 compared to 1990**

**Credible policy instruments:
e.g. A strong EU ETS as backbone
for linking with other ET schemes**

**Binding support of developing
countries in mitigation/tech
transfer/adaptation:
investment targets, earmarking
auctioning revenues**

Post 2012 Global Deal



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