

EU Climate Change Policy

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CAN Europe

INFORSE-EUFORES-EREF European Energy Policy Seminar - June 15 2005

The role of CAN Europe

CAN Europe

To support and empower civil society organizations to influence the design and development of an effective global strategy to reduce greenhouse gas emissions and ensure its implementation at international, national and local levels in the promotion of equity and sustainable development.

(CAN Europe mission statement)

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Outline

- Implications of EU 2°C target for post 2012 architecture
- EU response to the present US stance
- Non Annex I countries, what options for differentiating commitments and actions?
- Conclusions

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The probability to stay within 2°C

IPCC Terminology

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Reduction path consistent with 2°C

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No time to waste!


"Delaying action for a decade, or even just years, is not a serious option" Sir David King (Science, 9 January 2004)

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Global emission reductions 


- If global emission reduction rates are to be below 6%/yr in the 2020s then the peak needs to occur no later than 2020
- If global emission reduction rates are to be below 4%/yr in the 2020s then global peak needs to occur around 2015
- Little timing flexibility remains

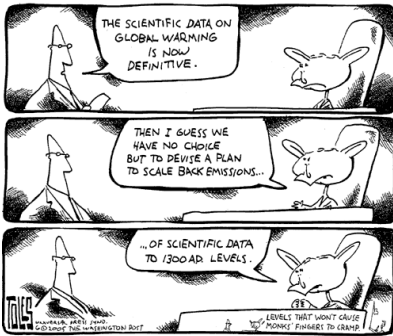
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Implications of 2°C target for regime 

- Legally binding targets and trading system
- Need for early and rapid decarbonization in the large emitters of the developing world
- Need for complex regime architecture
- Need for very rapid technological change


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United States 

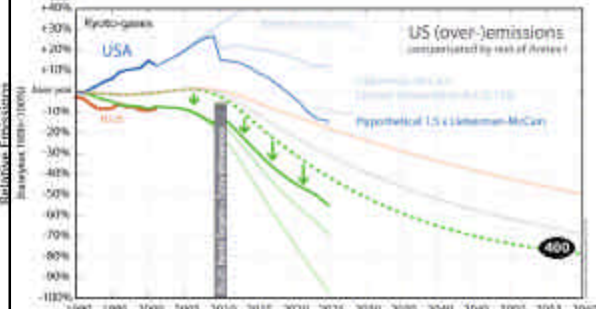


US cap and trade system will have a decade of delay before it can reach Kyoto 2022. Potential!


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United States 

US emissions according to Lieberman-McCain (S.139)
 > Rest of Annex I needs to reduce to -55% by 2020, instead of -30%.



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EU - USA - UNCERTAINTY 

- EU will have substantial economic competitiveness benefits from being first mover
 - Costs for stringent abatement likely at most amount to 0.05% GDP/year (compare to 0.5% GDP/year for EU traffic congestions)
 - Cost for non-action will be higher, and increasing
 - Overall costs should thus not be a major concern
- How to capture these benefits – both technological and economic and in a way that benefits both Europe, Japan and the large emitters in the developing world?

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Non Annex I parties? 




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Financing instrument needed 

- Large direct transfers currently not politically feasible, but large additional investments do seem feasible
- Financial instruments needed that would provide additional loans at cheap or soft terms to enable investments required to meet caps taking into account trading revenue
- Focus on leveraging acceleration of sustainable development
- Would need EU / government backing but could mobilize large private sectors involvement - Green Government Bonds
- Participation by RIDCs and others linked to finance facility

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Conclusions 

- 2°Celsius average global warming should be agreed as *dangerous interference* = Article 2 in UNFCCC
- legally binding architecture within 2°C emissions reductions corridor is central and needs to be expanded to large emitters
 - At least 30% domestic GHG reductions by 2020 in Annex I countries
 - At least 80% domestic GHG reductions by 2050 in Annex I countries
- Finance facility is needed to guarantee additional investments but does not need to very expensive and should bring benefits to both parties

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Thank you for your attention!
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