

Alliance of Small Island States Presentation

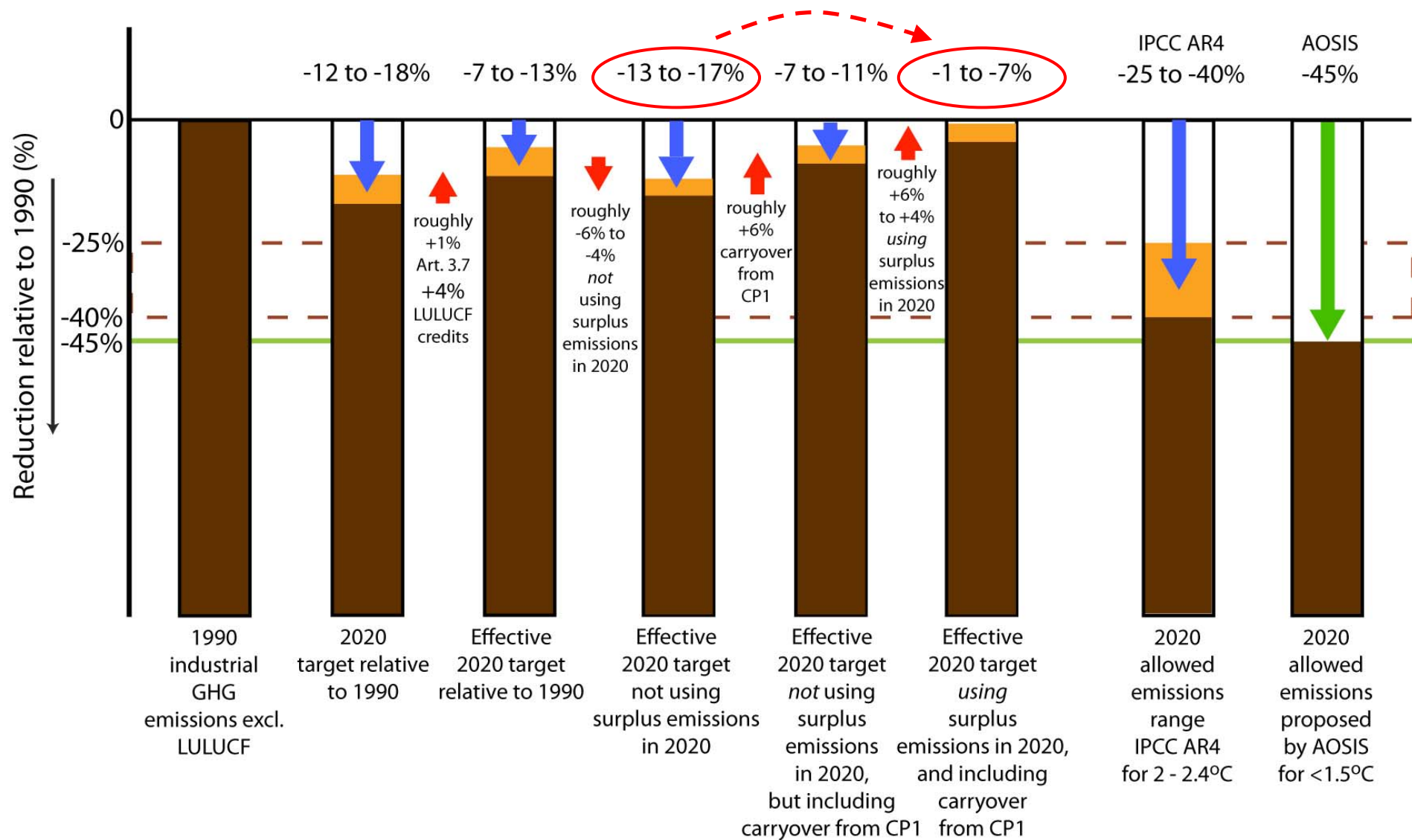


In-session Workshop on Scale of Emission Reductions

2 August 2010

What are the quantitative implications of the use of LULUCF, and emission trading, project-based mechanisms on the emission reduction by Annex I Parties in aggregate? How to ensure that efforts and achievements to date and national circumstances are taken into consideration and what could be the implications on emission reductions by Annex I Parties in aggregate?

Aggregate Annex-I reductions including surplus AAUs and LULUCF accounting

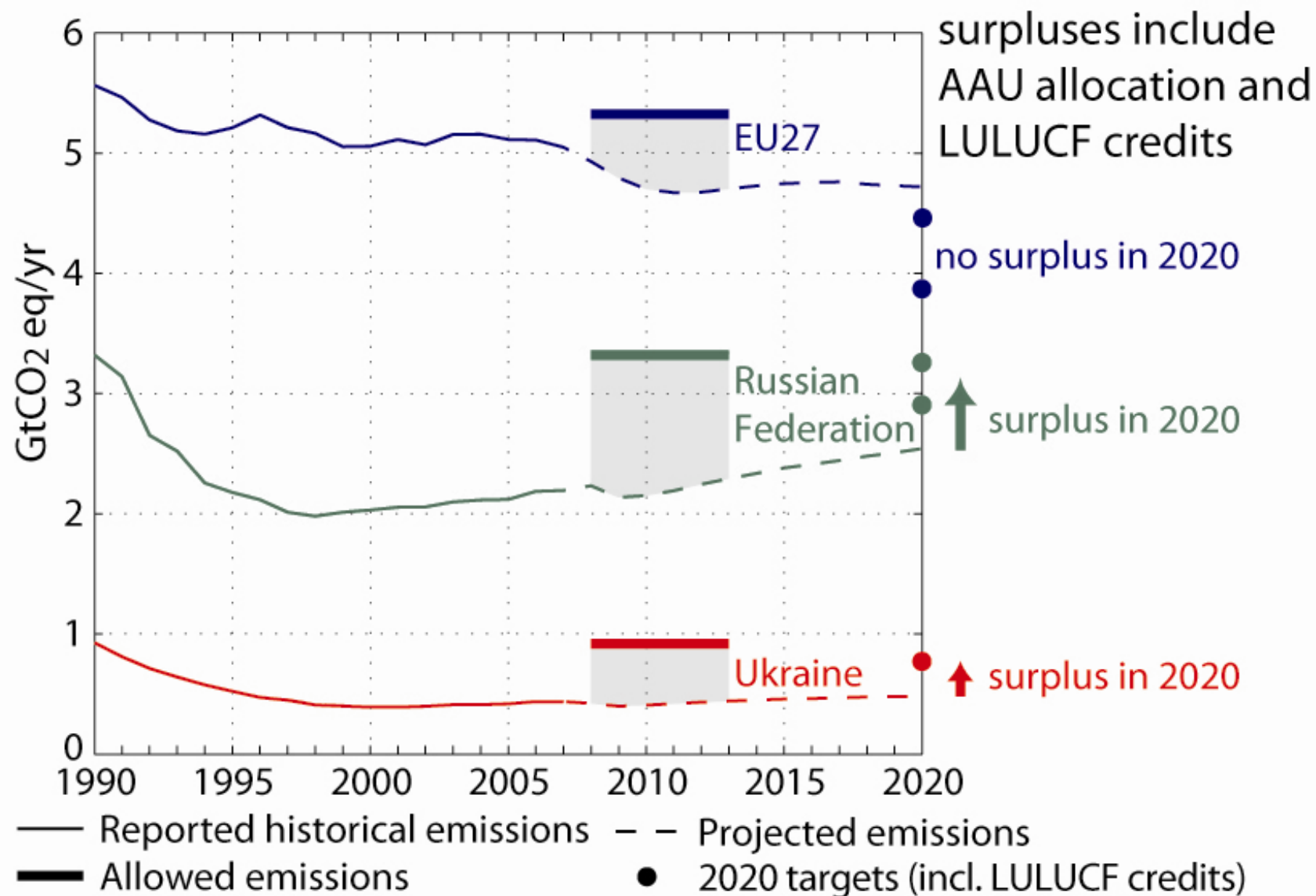


Ways to improve the level of ambition

Current effective level of ambition for 2020 assuming : <ul style="list-style-type: none"> • All Annex I Parties (KP and non-KP) • Parties' preferred LULUCF rules • Full carryover of surplus from 1 CP • Additional surplus created in 2 CP 	Incremental improvement in emission reductions relative to 1990 emissions (%)	Effective 2020 target relative to 1990 emissions (%)	Incremental improvement to environmental outcomes (MtCO₂eq/yr)
Current effective level of ambition for 2020 assuming :		-1 to -7 %	
Remove surplus built into pledges for 2020 – where surplus excluding LULUCF credits exceeds BAU (brackets: remove surplus where surplus includes LULUCF credits)	2 to 3 % improvement	-4 to -8 %	310 - 650
	(4 to 6%)	(-7 to -11%)	(760 - 1,100)
Remove carryover from 1 CP to 2 CP	6 % improvement	-11 to -15 %	1,200
Do not apply Art. 3.7 for 2 CP (LUC not added to base year)	1 % improvement	-12 to -15 %	120 - 150
Remove LULUCF crediting	4 % improvement	-16 to -19 %	790
Parties move to top of pledge ranges	4 to 0 % improvement	-19 %	690 - 0
* IPCC range for 2.0-2.4 degrees		-25 to -40 %	
** AOSIS range for 1.5 degrees		> -45 %	

CUMULATIVE

Examples of estimated surplus AAUs in 1 CP and around 2020



Possible options to address surplus AAUs

Supply side:

- Parties asked not to request carryover under Art. 3.13
- Allow carryover, but cap volume carried over
 - e.g., any additions to assigned amount under Art. 3.13 shall be limited to [0.1][x] percent of Parties' assigned amount in the preceding period
- Allow carryover, limit purpose for which carryover AAUs may be used, e.g.,
 - only for domestic use , for domestic use in immediately subsequent CP, domestic use up to [x] % of commitment
- Place substantial levy on transfer

Demand side:

- Parties agree not to purchase AAUs carried over under Art. 3.13
- Far stricter A1 targets
- Place substantial levy on acquisition
- Restrict use of acquired AAUs

Multiple additional options, options can be used in combination

Options for addressing surplus from first CP (≈ 10 Gt)

Options for addressing surplus	Improvement in aggregate Annex I ambition of 2020 pledges (% of 1990 emissions excl. LULUCF)	Improvement in effective emission reductions per year 2013 to 2020 (MtCO ₂ eq/yr)
Scale of anticipated surplus from first commitment period:		
1. Limit carryover of surplus from CP (e.g., limit to [0.1][x] percent of Parties' assigned amounts in the preceding period)		
<ul style="list-style-type: none"> 0.1 % limit on carryover to CP2 	6.5 %	1,200
<ul style="list-style-type: none"> 1 % limit on carryover to CP2 	6.2 %	1,100
<ul style="list-style-type: none"> 10 % limit on carryover to CP2 	3.5 %	700
2. Allow carryover, but limit purpose for which carryover AAUs may be used		
<ul style="list-style-type: none"> Only for domestic use in subsequent CP 	5.2 % *	960 *
<ul style="list-style-type: none"> Only for domestic use up to 1% of subsequent CP commitment 	5.4 % *	1,150 *
3. Impose levy on transfer or acquisition of surplus AAUs		
<ul style="list-style-type: none"> 50% of transferred/acquired AAUs required to be retired at time of transfer to other Party 	3.5 % *	650 *
4. Combination of the above		
	Range?	Range?
* Demand in EU only		

Implications of LULUCF Accounting

LULUCF Accounting Options credits (-) and debits (+)	LULUCF accounting over 2013- 2020 (MtCO ₂ eq/yr)	LULUCF accounting relative to 1990 emissions excl. LULUCF (%)	Effective 2020 target relative to 1990 emissions
1. Using each Annex I Party's preferred LULUCF accounting options	-790	-4.2%	-7 to -13 %
2. Continuation of current KP LULUCF rules – with cap on mandatory FM	-340	-1.8%	-10 to -15 %
3. Discount factor on forest management 85% + KP rules for other LULUCF activities	-320	-1.7%	-10 to -15 %
4. Net-net accounting for FM against 1990 base year + KP rules for other activities	-460	-2.5%	-9 to -15 %
5. Net-net accounting for FM against 1 st CP as base period + KP rules for other activities	-110	-0.6%	-11 to -16 %
6. Bar for FM with a +/- 5% band against 2001–2005 base period + KP rules for activities	60	0.3%	-12 to -17 %
7. Land based approach	-830	-4.4%	-7 to -13 %
8. Submitted reference levels for FM, including projected reference levels	-880	-4.7%	-7 to -12 %

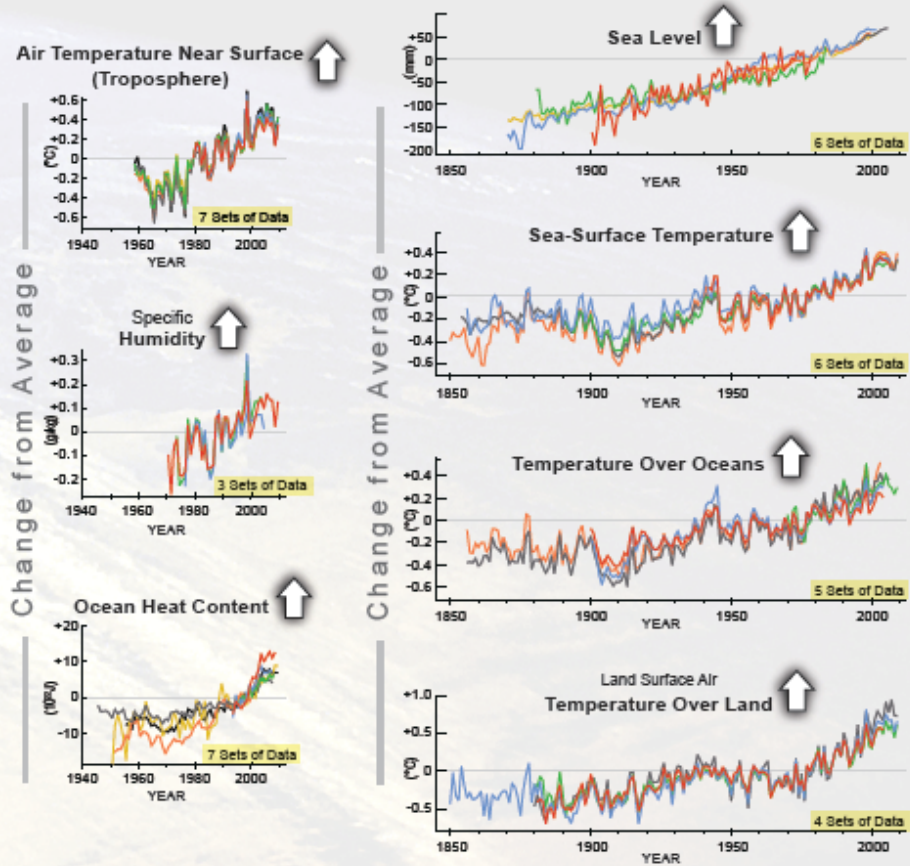
Forest Management Reference Levels

Submitted reference levels for FM*, including projected reference levels	FM accounting (credits(-)/debits(+)) over 2013-2020 (MtCO ₂ eq/yr)	FM accounting (credits(-)/debits(+)) relative to 1990 emissions excl. LULUCF (%)
Calculate FM accounting: Using the FM forecast provided by Parties from December 2009 – May 2010 (Projected reference levels which equals forecast gives zero credits)	-340	-1.8%
Using Party projections submitted informally through the KP up to November 2009 where available or otherwise historical trend	-850	-4.5%
Using the mean from Party's historical emissions/removals based on both CRF2009 and submissions	-650	-3.5%
Using the trend from Party's historical emissions/removals based on both CRF2009 and submissions	-940	-5.0%
* for those countries that did not submit reference levels we continued to account for FM using the current KP rules		

LULUCF Data sources

- LULUCF data sources for calculating LULUCF options for Parties are based on informal data submissions provided to the AWG-KP from September to November 2009, available at:
http://unfccc.int/meetings/ad_hoc_working_groups/kp/items/4907.php
- For Parties that did not submit data, assumptions on calculating the Kyoto Protocol's LULUCF activities were made through data proxies estimated using the CRF2009 tables:
http://unfccc.int/national_reports/annex_i_ghg_inventories/national_inventories_submissions/items/4771.php.
- Forest management data sources was submitted to the KP by Parties between September 2009 – May 2010

These indicators all increase in a warming world



These indicators all decrease in a warming world

