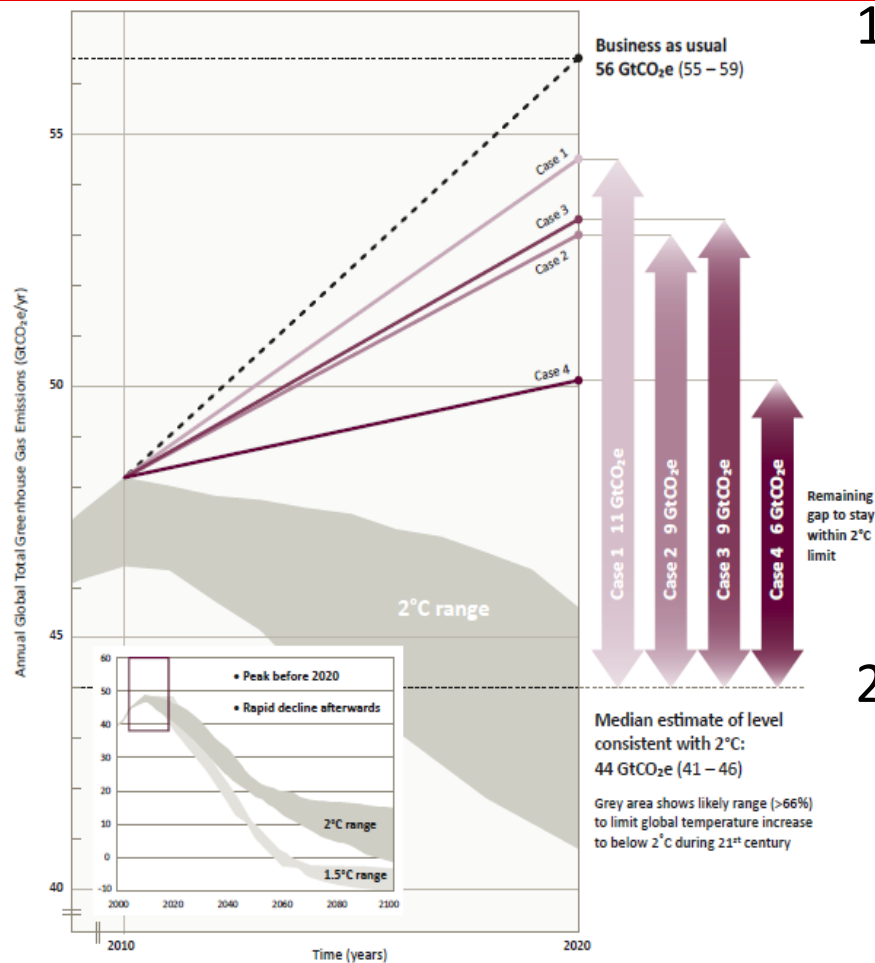




# **CLARIFICATION OF DEVELOPED COUNTRY PARTIES' PLEDGES**

WORKSHOP, BONN, 17<sup>TH</sup> MAY 2012

# The below 2° C must guide the level of ambition of mitigation action that is required at global level



1. Enhanced global mitigation ambition is urgently required and this should be addressed in all tracks:

- through the implementation of ambitious and transparent pledges by both developed and developing countries under the Convention;
- through wide participation and ambitious QELROs in the KP CP2;
- and through launching complementary initiatives to close the ambition.

2. Raising ambition pre 2020 will affect the level of effort needed post 2020 and is essential to ensure cost effective global transition and for keeping the 2° C objective within reach.



# More action is required from ALL Parties

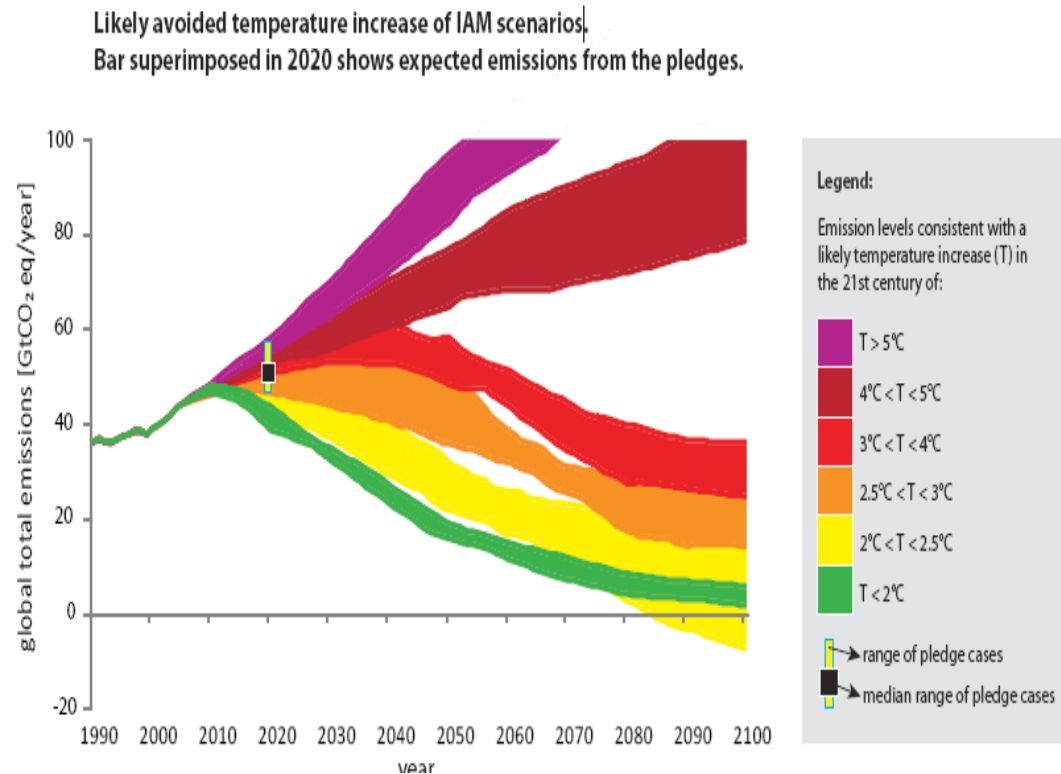
## 1. Developed countries,

- Commitments in INF.1 add up to -13-18% by 2020 below 1990 levels – not in line with  $<2^{\circ}\text{C}$
- IPCC reference: -25-40% reduction from 1990 levels by 2020

## 2. Developing countries, especially the most advanced among them

- Pledges put forward so far add up to -7-9% deviation from BAU by 2020
- Scientific input\*: 15-30% deviation from BAU by 2020

\*den Elzen, M. and N. Höhne, Climate Policy 10 (2010) 247–260



Source: emissions gap report UNEP



# We need to ensure we are working towards the below 2° C target

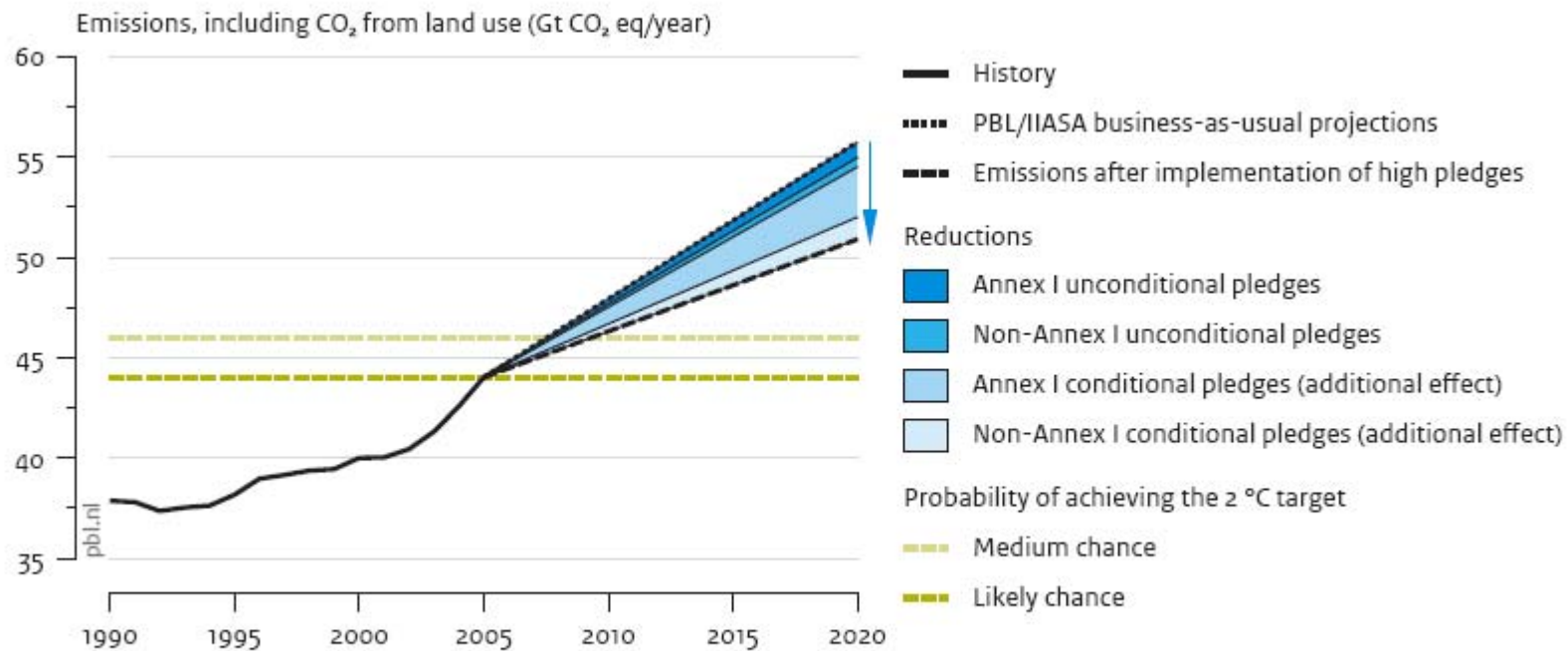
- Fully implementing pledges is cornerstone in achieving necessary 2020 reductions.
- Robust approaches to accounting are fundamental in defining and showing progress against pledges
- Coherent and comprehensive approach to mitigation and ambition.
- Need a continuous process to assess the gap; identify options to increase ambition through pledges and complementary initiatives; and take appropriate decisions.
  - Clarification of 2020 pledges
  - Review 2013-15
  - Ambition process in ADP 2012-2015
  - SBs



# Uncertainty remains on global 2020 ambition

- Conditionality of pledges
- Assumptions: BAU emissions
- Accounting rules: LULUCF, double counting offsets
- Kyoto surplus: AAUs
- Emissions from international shipping and aviation

## Impact of pledged reductions in global greenhouse gas emissions, under strict accounting rules



e

Source: PBL

# The role of the workshops

## Further understanding assumptions and conditions related to targets:

- **Defining and tracking progress towards targets** to increase transparency and comparability: base year, global warming potential, gases, sectors, lulucf, use of market-based mechanisms.
- **Ambition:** Assumptions and conditions related to ambition and expected emission reductions.
- Framing a long term vision through **Low Emission Development Strategies (LEDS)**



# A common set of accounting rules constitutes the backbone of an international architecture

- Key to understand, compare and assess pledges and track progress towards  $< 2^{\circ} \text{C}$

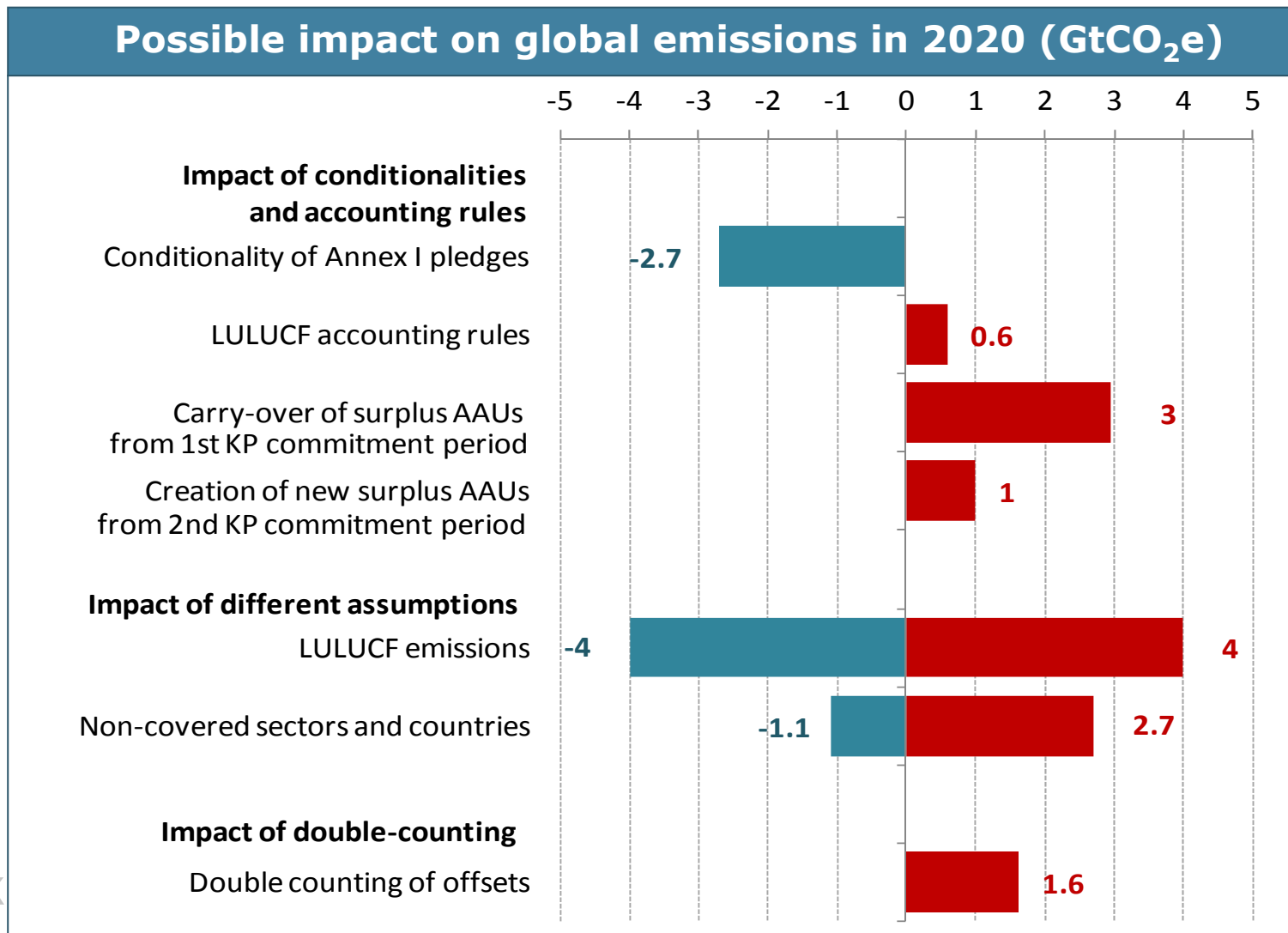
- Underpin use of international market-based mechanisms

- **Transparent:** Rules are clearly defined and agreed up-front (ex-ante)
- **Comparable:** Enable assessment of pledges and progress towards meeting them, across multiple Parties
- **Consistent:**
  - Need progressive elaboration of a common system for all Parties that are reporting their emissions
  - Especially in the context of use of international market-based mechanisms
- **Use of international market-based mechanisms:** Common rules particularly relevant to facilitate use of mechanism
  - providing confidence in the value of units
  - ensuring that the risk of double counting is minimised

## "Counting" vs "Accounting" emissions:

- "counting" is monitoring and reporting emissions
- "accounting" is assessing progress in meeting its target, taking into account the use of for instance mechanisms, LULUCF and carry-over

# Pledges : Huge potential impact of accounting rules on the level of ambition





# Understanding the EU pledge

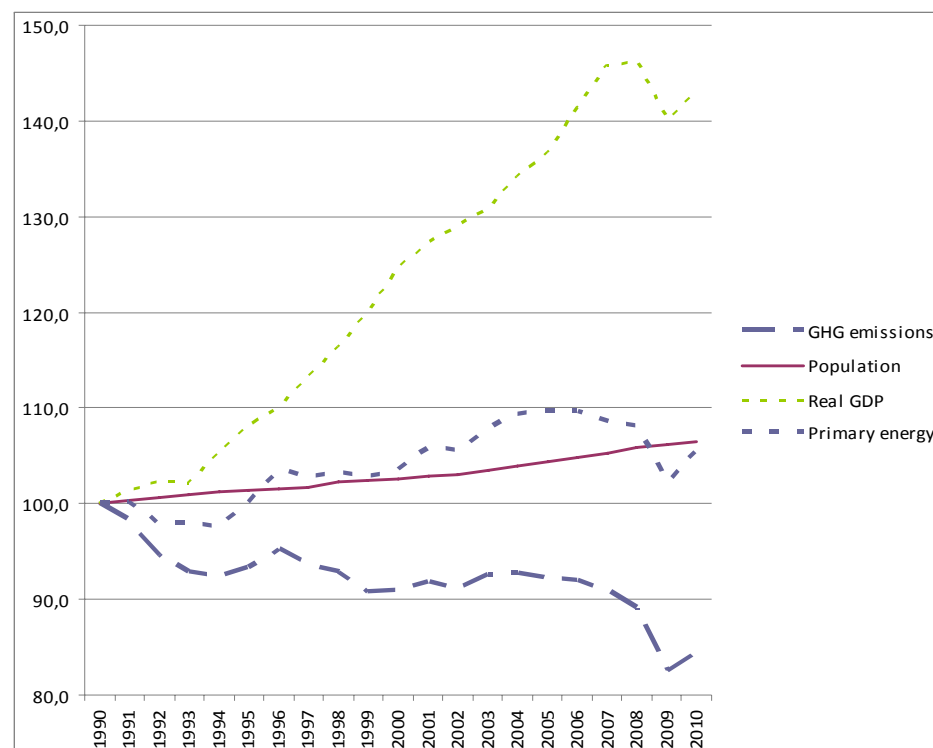
- Cutting greenhouse gases **by at least 20% of 1990 levels**
- Willing to go **to 30%** if other developed countries commit to comparable emission reductions and developing countries contribute adequately according to their responsibilities and respective capabilities

Targets	-20% / -30%
Base year	1990
Gases covered	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub>
Sectors covered	All except LULUCF * (energy, industrial processes and product use, agriculture, waste, aviation)
GWP	IPCC AR2



# EU emissions by 2020 (20% target)

- Emissions in 2020: below 4523 Mt CO<sub>2</sub>e (excluding LULUCF)
- Further decoupling of growth and emissions:
  - 8,8 tCO<sub>2</sub>e per capita in 2020 (27% below 1990)
  - 0,3 kgCO<sub>2</sub>e per €GDP in 2020 (down 60% since 1990)



# The Climate and Energy Package

## Relevant policies and measures :

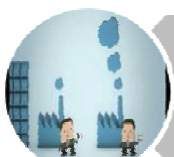
- Legally binding emission reductions for 2013-2020:
  - The EU Emission Trading System (ETS)
  - The Effort Sharing Decision (ESD)
- Increasing use of renewables (wind, solar, biomass, etc) to 20% of total energy production (currently  $\pm$  8.5%)
- A legal framework to promote the development and safe use of carbon capture and storage (CCS).
- Other sectoral policies: CO2 cars,...

**Robust accounting system designed for consistency with the Kyoto Protocol accounting framework.**



# Rules under the Climate Energy package

- **Legally-binding trajectories for 2013-2020**



**ETS:** linear trajectory from 2008-2012 average emission in 2010 to 21% below 2005 emissions in 2020 (-1,74% per year)



**Non ETS:** linear trajectory from a 2013 starting point based on 2008-2010 average emissions to 10% below 2005 emissions in 2020

- **Access to international carbon markets**



**ETS:** up to 5,5% of 2005 emissions (max demand 1700Mt for 2008-2020). AAUs cannot be used for compliance



**Non ETS:** up to 3,1% of 2005 emissions every year (max demand of ~750Mt over 2013-2020) favouring credits coming from LDCs or SIDs. AAUs cannot be used for compliance



# Rules under the Climate Energy package (continued)

- **Banking**



**ETS:** full banking of allowances allowed both within a trading period and between trading periods  
AAUs cannot be used for compliance



**Non ETS:** Full banking from one year to another within 2013-2020

- **Borrowing:**



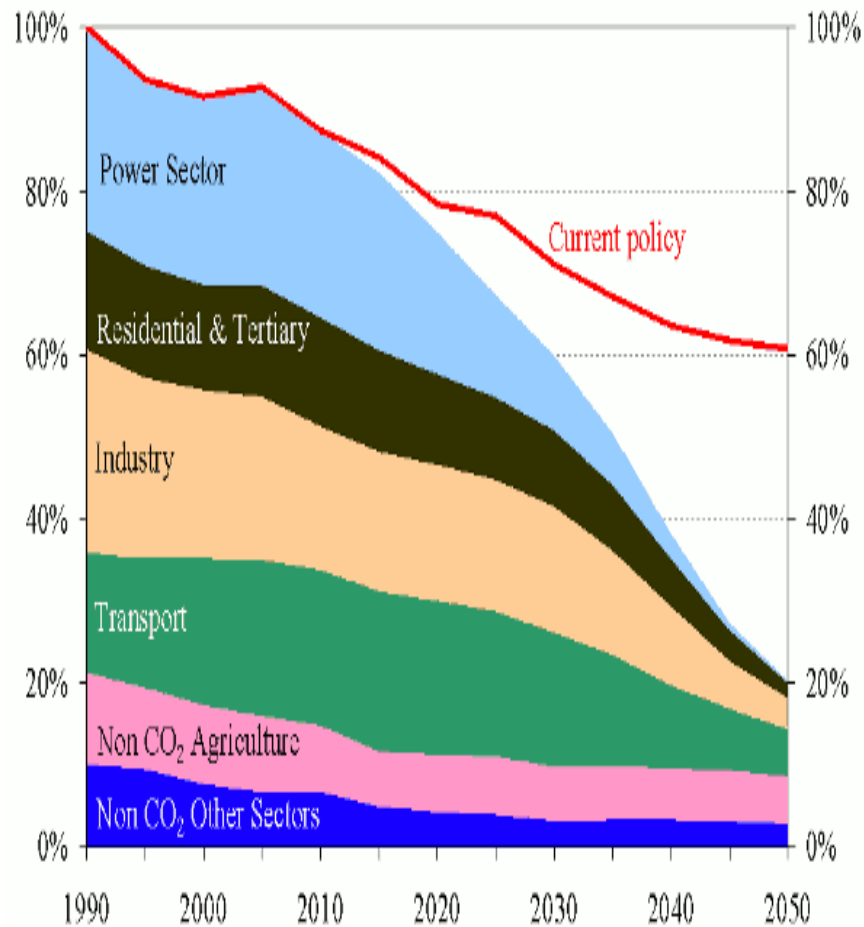
**ETS:** Borrowing allowed from one year to another within a trading period only



**Non ETS:** Borrowing restricted to 5% from one year to another within 2013-2020



# The EU is working on its LEDS



- **2050 objective: 80-95% emission reduction**
- Identifying **cost-efficient pathways** using economic modelling.
- Input from a **broad stakeholder consultation** (civil society, industry, research institutions, NGOs and Member State authorities)
- Allows the identification of **actions needed and long term investment needs**
- Identifies **sectoral pathways** (energy roadmap, ...) for shaping future EU policies
- Complemented by **individual MS's LEDS**



# Benefits of LEDS

## **Brings together climate and development priorities:**


- Ensure that the below 2° C objective is kept within reach
- Create jobs and increase competitiveness, green growth and innovation
- Increase energy security, and lower dependence of fossil fuels
- Improve air quality and health

## **Helps in shaping policies and measures:**

- Long term climate objectives towards the below 2° C will shape policies on energy, technology and R&D.
- Will avoid lock-in of carbon intensive investments and give credible signals to investors
- Examples: Danish Energy strategy 2050, UK Carbon Plan



## Concluding remarks

- Pledges by developed and developing countries are a cornerstone in 2020 reductions compatible with below 2° C
  - All parties contribute actively
  - Need to track progress against targets: Requires understanding of pledges and robust approaches to accounting.
  - Pledges process in LCA in 2012 a key element in a coherent approach.
- 
- Need a continuous process on understanding of pledges, assessing gap, identifying options and increase ambition.
  - Increasing focus on implementation of pledges
  - Rules matter: Structured information enhancing transparency, comparability and credibility





# Key deliverables

- Additional workshops: Understanding pledges; LEDS; status of implementation
- Written report
- Analysis of the Secretariat's technical paper on “exploring commonalities and different approaches”

