

AWG-KP 13 In-session Workshop on “the numbers”

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Questions

- What are the quantitative implications of the use of LULUCF, and emissions 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?

Overview

- Aggregate scale of emission reductions required of Annex I Parties
- ‘Loopholes’:
 - LULUCF accounting rules
 - Market-based mechanisms
 - Surplus AAUs
 - International aviation and shipping
- Implications of ‘loopholes’

Annex I Parties'

aggregate emission reductions

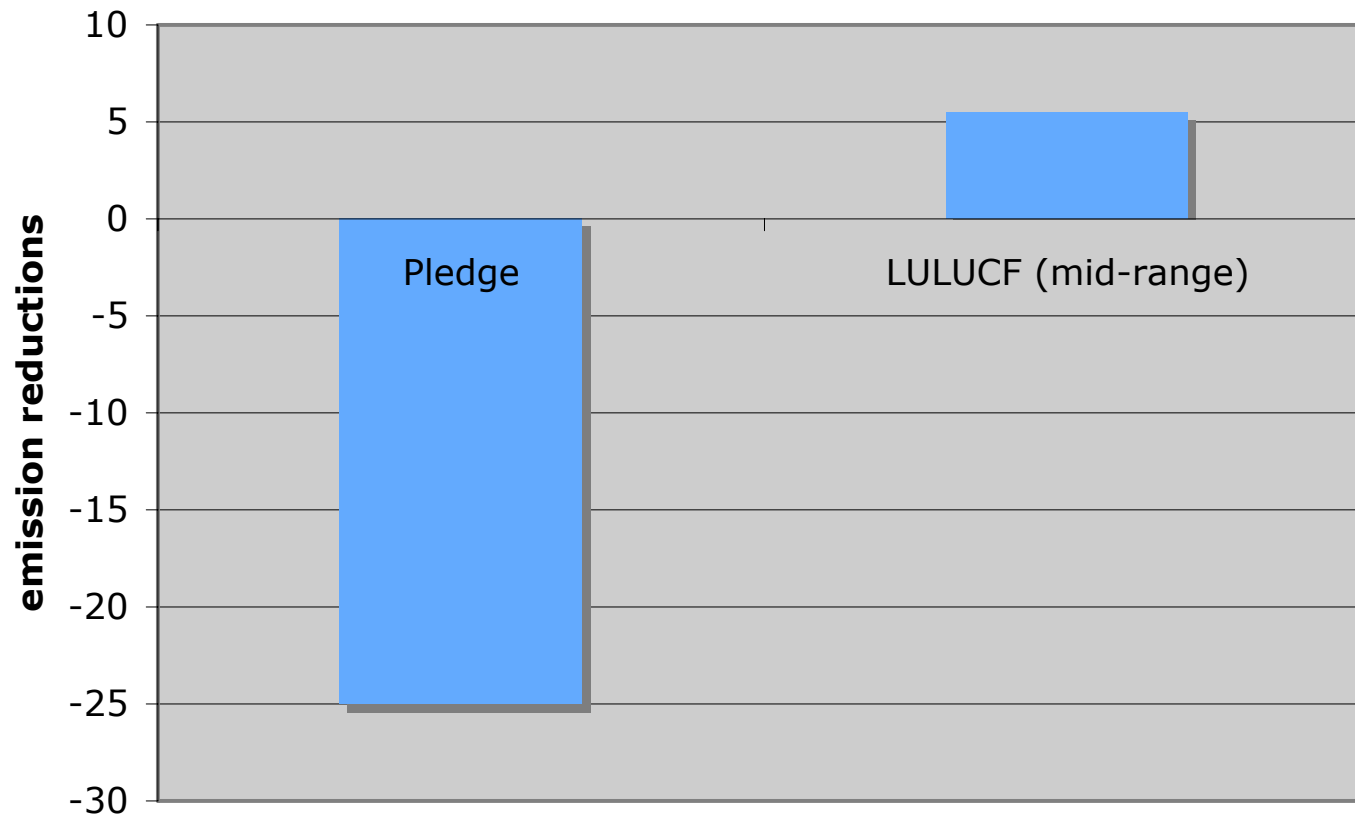
- Need for science and equity based aggregate target
- Proposals by developing countries based on science and equity:
 - AOSIS, LDCs, African Group: 45% by 2020
 - Bolivia et al: 49% or 50% domestic reductions in the commitment period 2013-2017
 - Others: 40% by 2020
- UNFCCC pledges compilation: 17-25% by 2020
- Pledges by all Annex I countries (including US): 12-18% by 2020

LULUCF accounting rules

- Elected activities
- Reference levels for forest management accounting
- Article 3.7
- Gross-net and net-net accounting
- Force majeure

- Approximate scale of reference level and Article 3.7
loopholes: 5-6% of Annex I Parties' 1990 levels

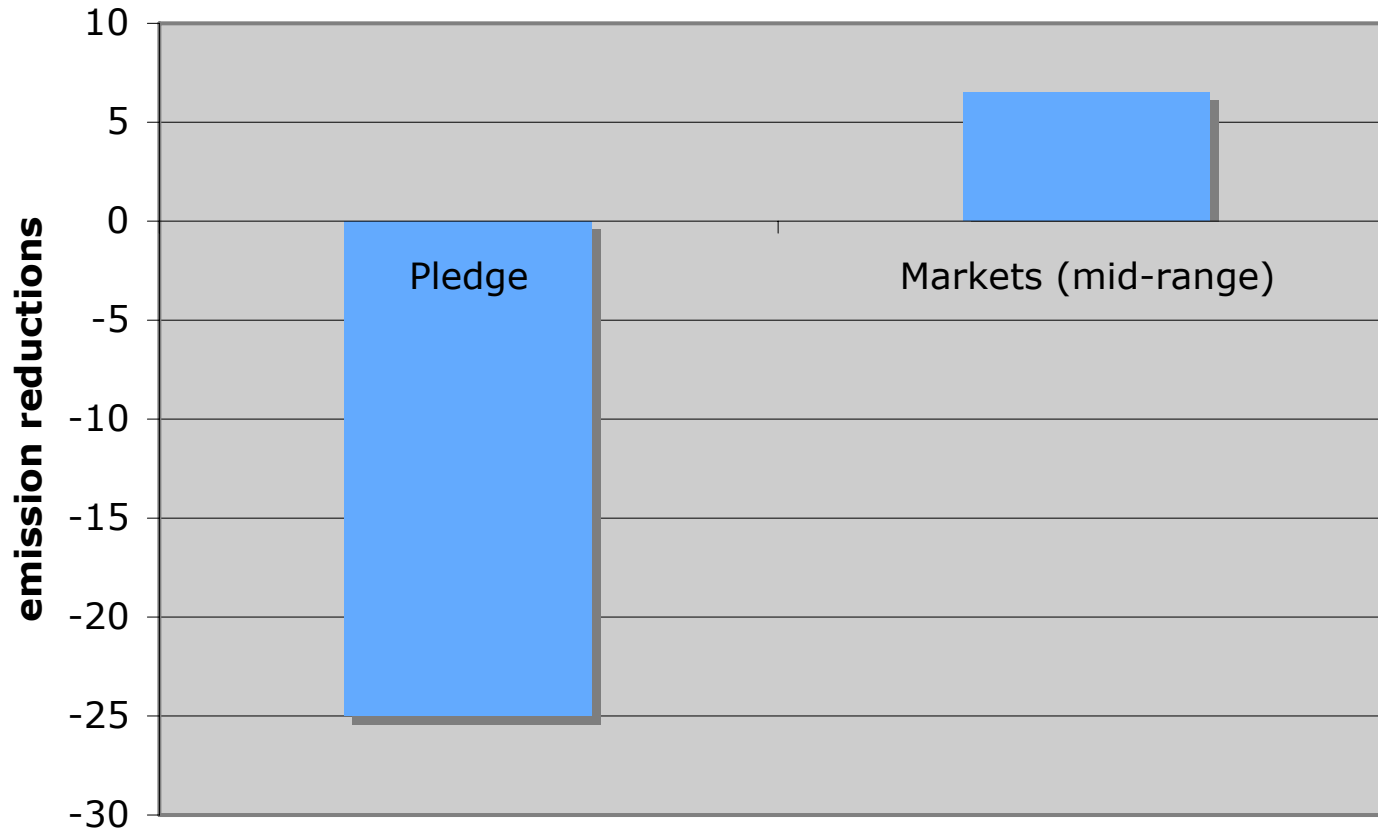
LULUCF Accounting



Market-based mechanisms

- CDM projects allow Annex I Parties to avoid taking real emission reductions domestically
- Accounting problems - “non-additionality”
- Approximate scale of CDM loophole: 5 to 8% of Annex I Parties’ 1990 levels

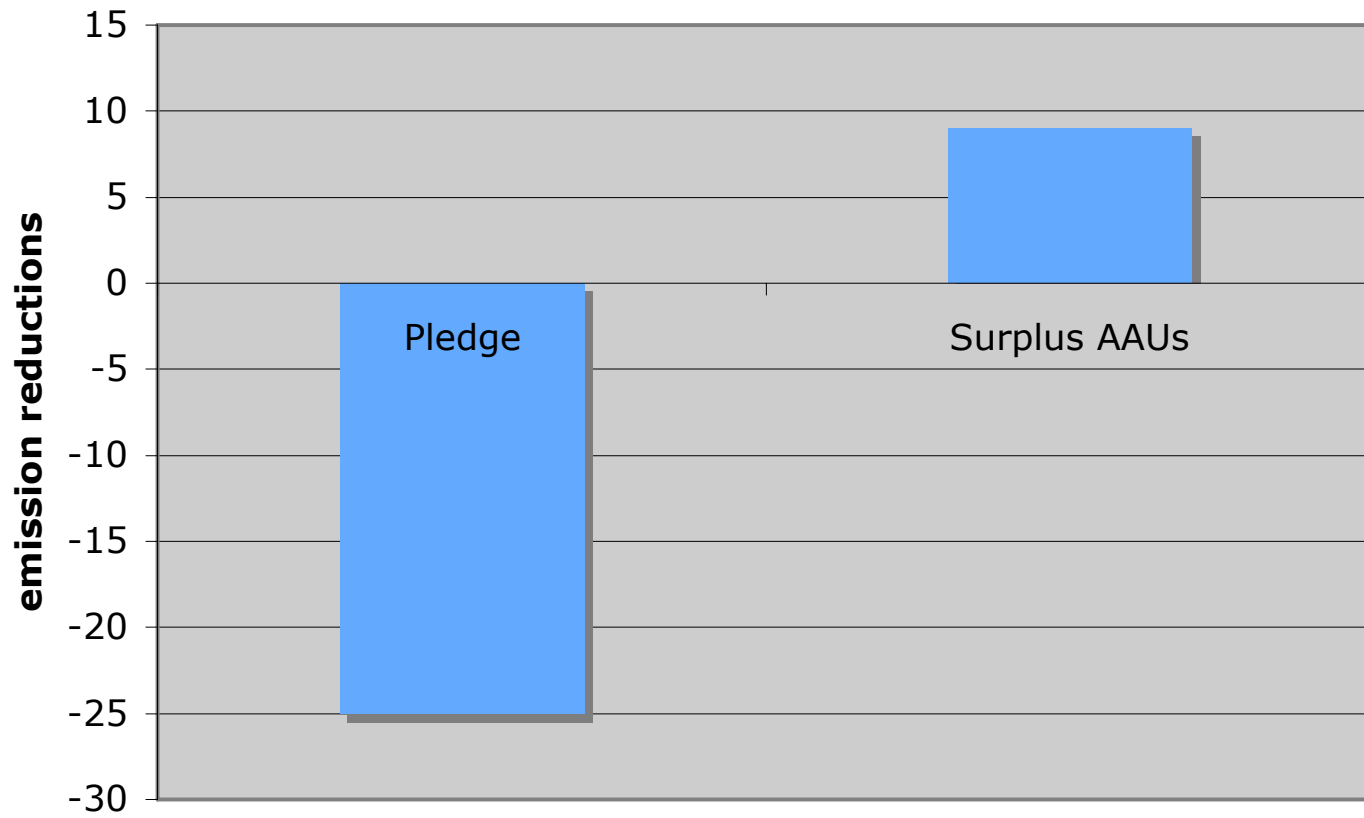
Market-based mechanisms



Surplus AAUs

- Large quantities of surplus AAUs exist that mean that real actions to reduce emissions do not take place
- Approximate scale of loophole:
 - Around 9% per year of Annex I Parties' 1990 emissions (in a 8 year commitment period)
 - Around 15% per year of Annex I Parties' 1990 emissions (in a 5 year commitment period)

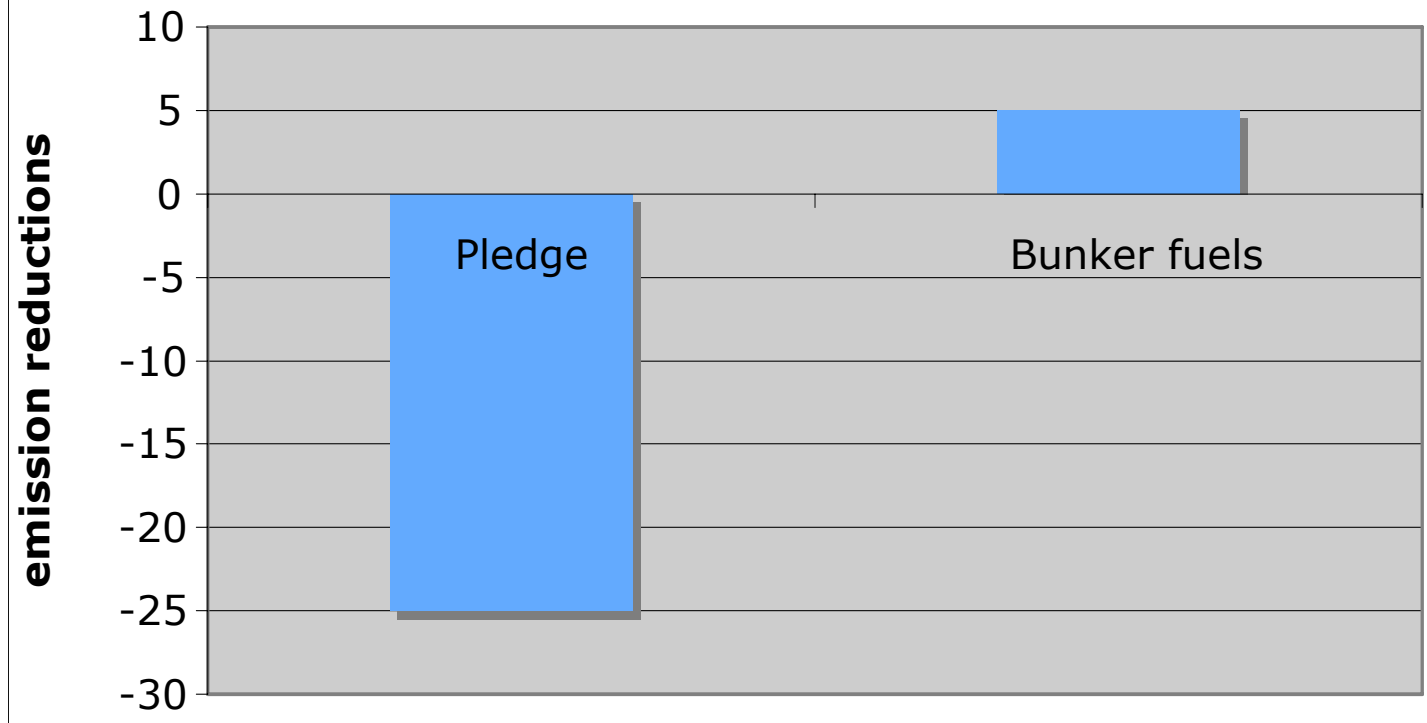
Surplus AAUs



International aviation and shipping

- Large emissions from this sector are currently excluded from Kyoto Protocol accounting
- Approximate scale of loophole: Around 5% per year of all Annex I countries 1990 emissions (inclusive of the US)

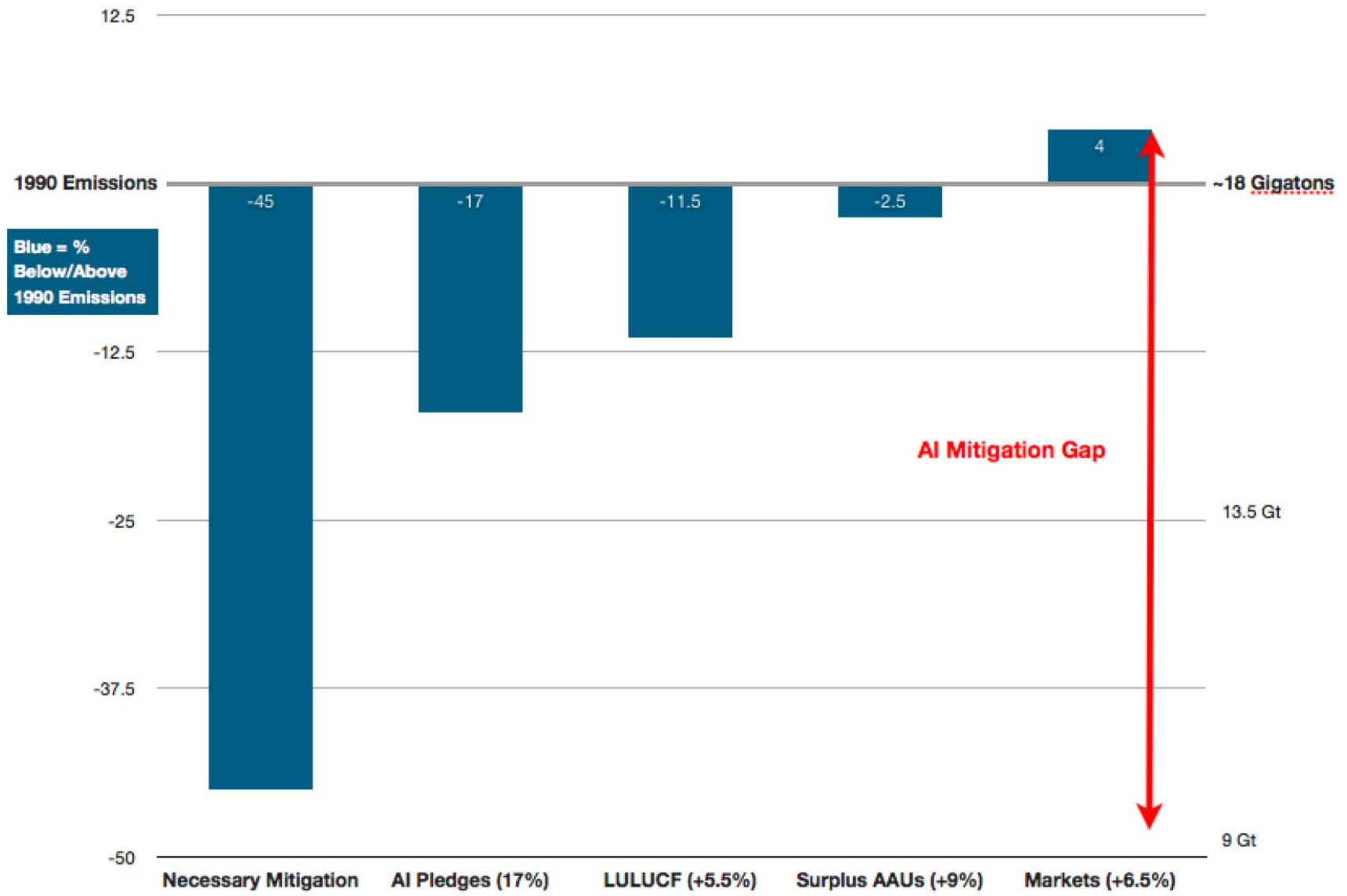
Bunker fuel



Quantitative implications of 'loopholes'

- The scale of each loophole is significant
- Further analysis is required of the combined effect of these loopholes
- It is nevertheless clear the individual and combined levels are unacceptably large
- This -- along with inadequate pledges -- results in a major mitigation gap for Annex I Parties

AI Emissions Pledges - Accounting for Loopholes



Conclusions

- Annex I Parties' pledges are grossly inadequate to meet the challenge of climate change
- Annex I Parties' aggregate emission reductions must be based on scientific and equitable parameters
- Loopholes negate Annex I Parties' pledges and may even result in Annex I Parties increasing emissions above 1990 levels
- Loopholes would substantially erode scientific and equitable Annex I Parties' aggregate emission reductions

Conclusions

- Loopholes must be closed in order to ensure integrity and credibility of Annex I Parties' aggregate emission reductions
- Alternatively, Annex I Parties' aggregate emission reductions should be increased by the sum of the loopholes
- A failure to address the loopholes satisfactorily would:
 - substantially add to the risks of dangerous climate change
 - even more unfairly place mitigation and adaptation burdens on developing countries
 - result in an even larger unfair taking of the atmospheric space by developed countries

Background documents

¹CAN International, "Emissions Reduction Must Be Put at the Heart of Developed Country Climate Obligations on Forests" 2 June 2010.

²ECO, "Minding the LULUCF forest accounting gap" NGO Newsletter, Issue No. 1, Vol. CXXV, 2 August 2010.

³Point Carbon, "Assigned Amount Unit: Seller/buyer analysis and impact on post-2012 climate regime" 26 October 2009.
http://www.climnet.org/index.php?option=com_docman&task=doc_details&gid=15128&Itemid=2

⁴Rogelj, Joeri, J. Nabel, C. Chen, W. Hare, K. Markmann, M. Meinshausen, M. Schaeffer, K. Macey, N. Hohne (2010). "Copenhagen Accord pledges are paltry" *Nature*, Vol. 464, 22 April 2010, 1126-1128.

⁵Schneider, Lambert (2007). "Is the CDM fulfilling its environmental and sustainable development objectives? An evaluation of the CDM and options for improvement" Öko-Institut, Institute for Applied Ecology, 5 November 2007.
www.oeko.de/oekodoc/622/2007-162-en.pdf

⁶Sustainability Council of New Zealand, "Integrity Gap: Copenhagen Pledges and Loopholes" August 2010.

⁷UNFCCC, "Analysis of possible means to reach emission reduction targets and of relevant methodological issues" FCCC/TP/2008/2.

⁸UNFCCC, AWG-KP 13, "Available new data and information on their expected use in the next commitment period of land use, land-use change and forestry and emissions trading and the project-based mechanisms, including expected carry-over of units from the first commitment period to the next commitment period, as well as related assumptions made when presenting their pledges for emission reduction targets" 16 July 2010, FCCC/KP/AWG/2010/Misc.4.

⁹UNFCCC, AWG-KP 13, "Views on the topics to be covered and the organizations/experts to be invited to the in-session workshop on the scale of emission reductions to be achieved by Annex I Parties in aggregate and the contribution of Annex I Parties, indirectly or jointly, to this scale" 16 July 2010, FCCC/KP/AWG/2010/Misc.2.

¹⁰UNFCCC, AWG-KP 13, "Compilation of pledges for emission reductions and related assumptions provided by Parties to date and the associated emission reductions" 21 July 2010, FCCC/KP/AWG/2010/INF.2.

¹¹UNFCCC, AWG-KP 12, "Compilation of pledges for emission reductions and related assumptions provided by Parties to date and the associated emission reductions" 20 May 2010, FCCC/KP/AWG/2010/INF.1.

¹²UNFCCC. "Investment and financial flows to address climate change: an update" 26 November 2008, FCCC/TP/2008/7.