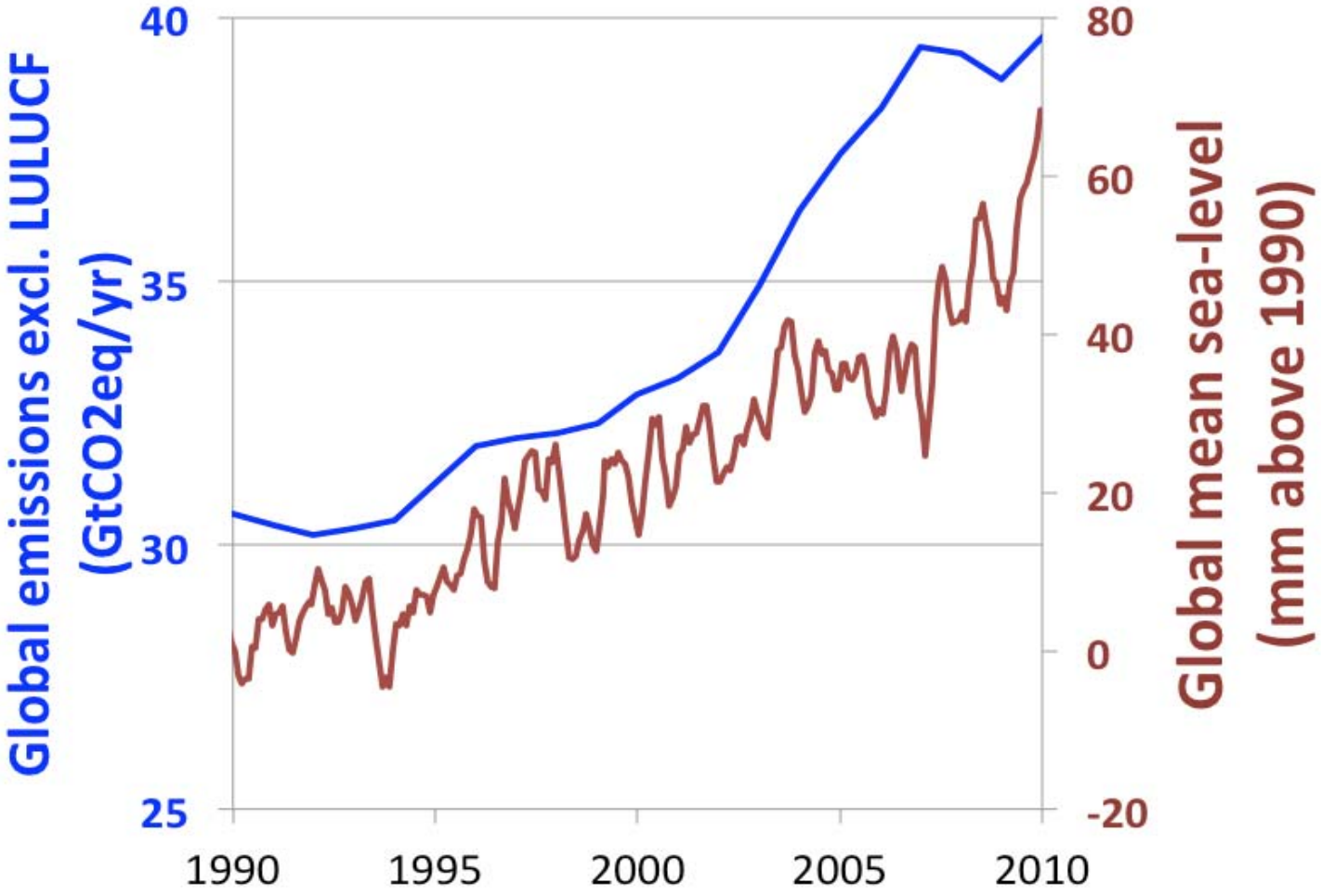
AOSIS Presentation

AWG-LCA workshop on assumptions and conditions related to the attainment of quantified economy-wide emission reduction targets by developed country Parties

9 June 2011

Bonn, Germany

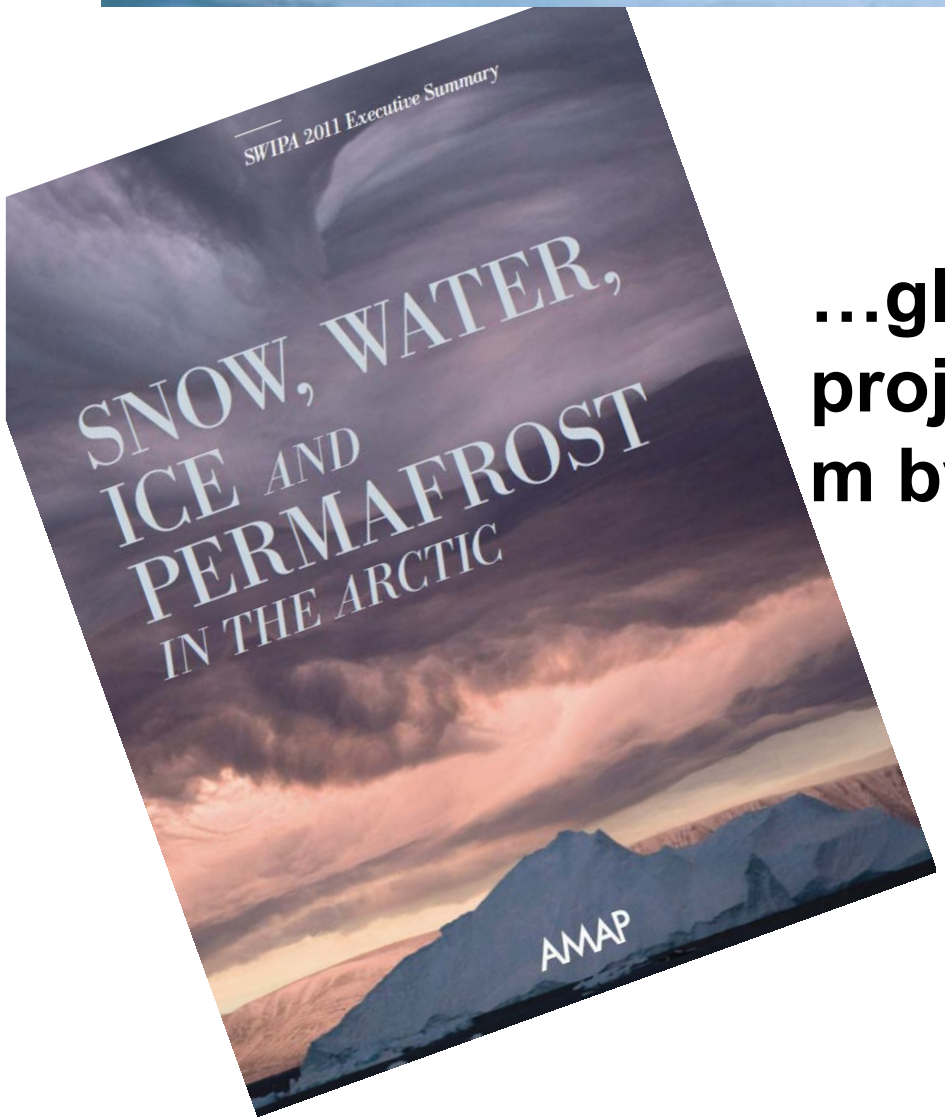
Emissions are at record levels and so is sea level (since pre-industrial)



Sources: emissions – CRF(2011) National inventories, National communications, additional data from CDIAC, IEA, EDGAR, POLES, see PRIMAP4 www.primap.org; sea level – Church et al (2011)

AMAP

Arctic Monitoring and Assessment Programme



…global sea level is projected to rise by 0.9-1.6 m by 2100

1 metre of sea level rise by 2100?

- IPCC AR4 sea level rise projections **did not include** rapid ice sheet losses
- But observed, accelerating loss from Greenland and Antarctica, if continued, imply a sea level rise of **60 cm** above 1990 levels by 2100 **from this source alone**
- Projections based on observed sea level changes indicate a likelihood of 1 metre or more above 1990 levels by 2100
  - Thermal expansion is likely to give around 15-40 cm of sea level rise
  - Small glacier contributions may give about 12 cm of sea level rise
  - Theoretical estimates of plausible ice loss from Greenland and Antarctica cannot exclude 2 m of sea level rise by 2100
- Past changes in sea level show risk of large, rapid, metre scale per century sea level rise due to the warming expected.
- Modeling and observations tend to confirm risk of unstable disintegration of the West Antarctic ice sheet under global warming

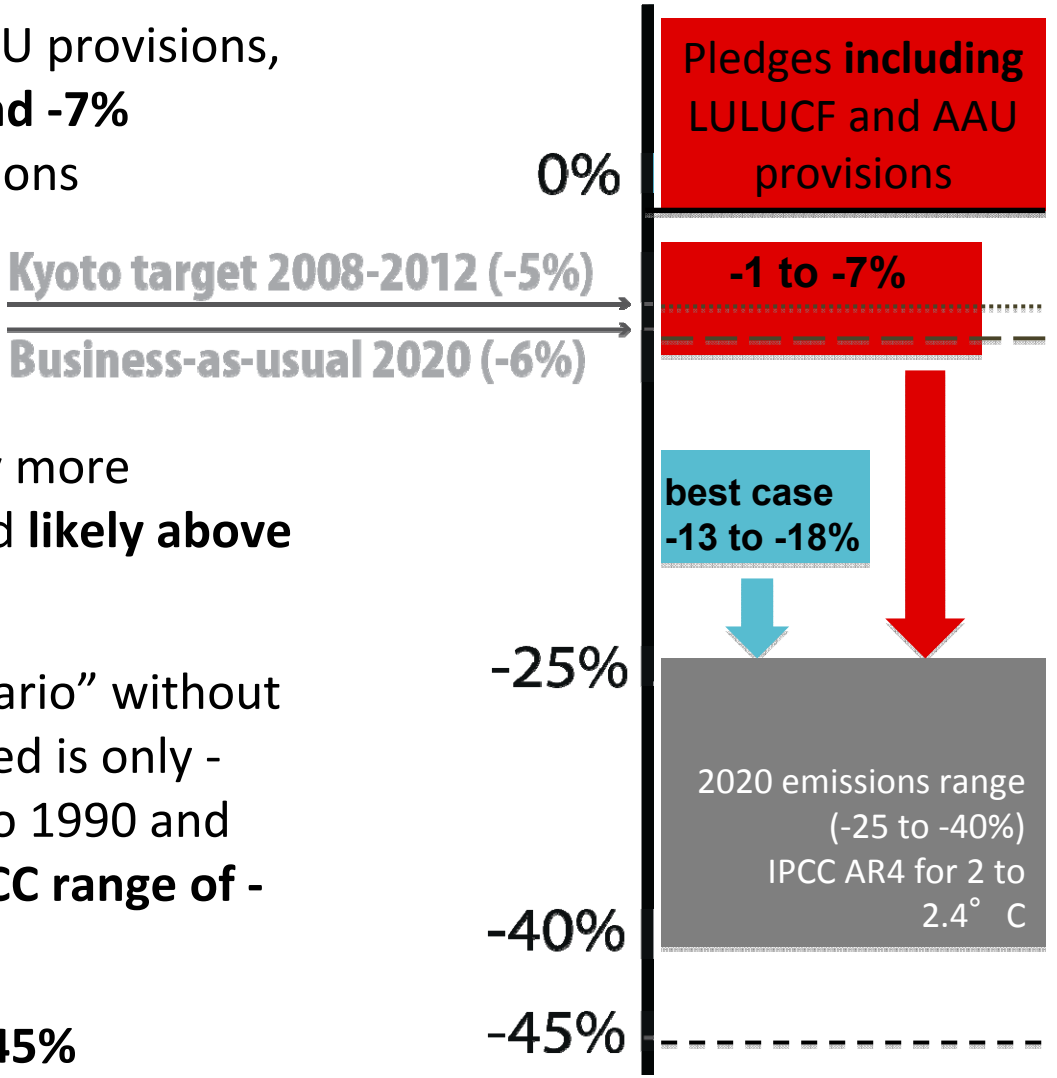
The problem: Annex I gap

- Including LULUCF and AAU provisions, pledges add up **to -1% and -7%** compared to 1990 emissions

- This is less to moderately more ambitious than Kyoto and **likely above BAU in 2020**

- Even the "best case scenario" without LULUCF and AAUs included is only -13% to -18% compared to 1990 and **far from the required IPCC range of -25% to -40%**

- Far from the **more than 45%** reduction **sought by AOSIS**



Total industrial emissions of all Kyoto gases excluding LULUCF relative to 1990

Is the gap really so big?

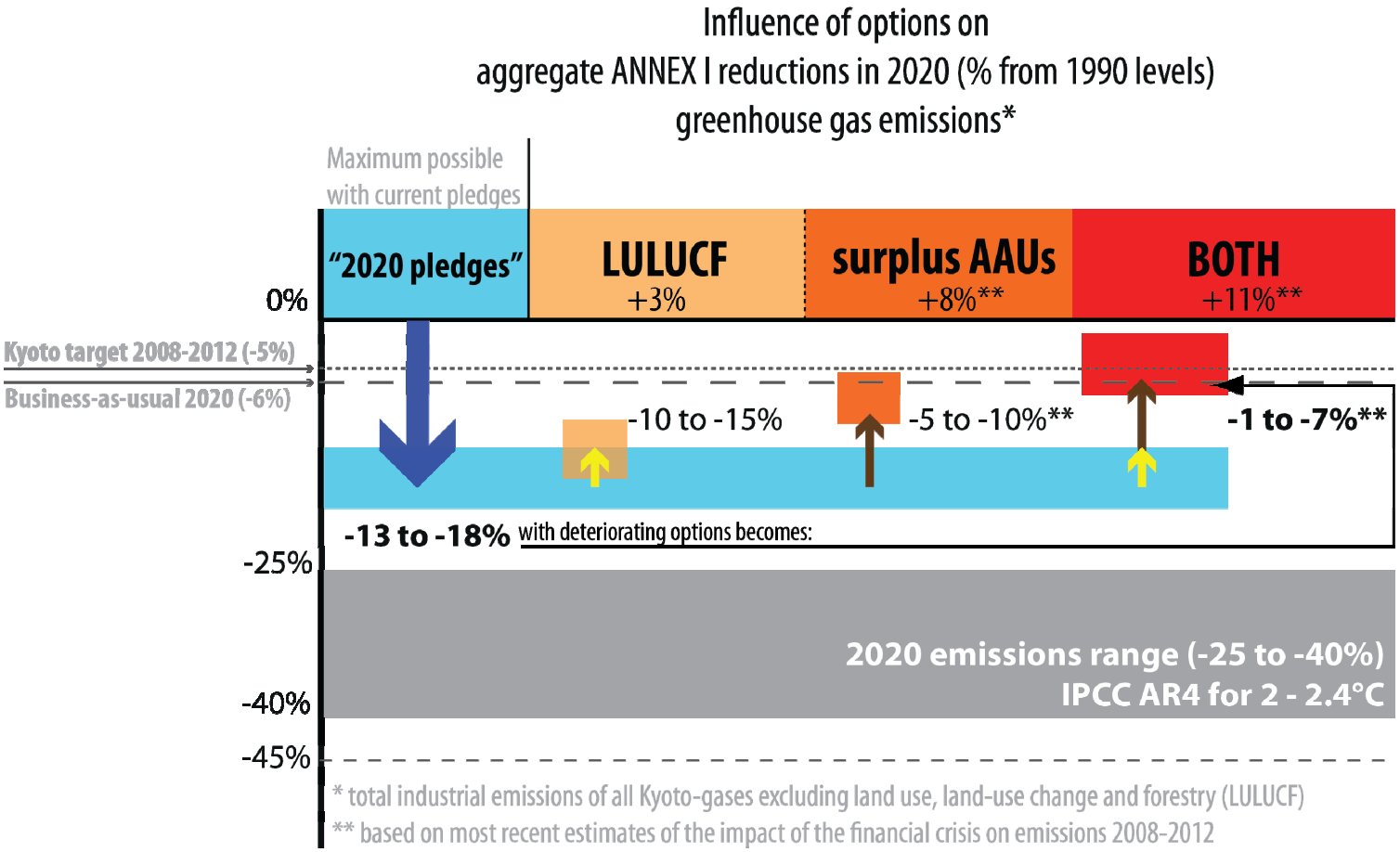
- If all existing provisions that reduce the effectiveness of reduction targets by Annex-I Parties were eliminated, the aggregate reduction would be **13-18% below 1990**

- Assuming use of LULUCF credits, but no carryover and use of surplus AAUs from the first commitment reductions would be **10-15% below 1990**

- Assuming both LULUCF credits are used and carryover of surplus AAUs from the first to the next commitment period(s) reductions will be reduced to **1-7% below 1990**

➠ **Yes, the most realistic gap taking into account the current status of negotiations is really so big**

How can we close the gap?



- ➠ Increase level of ambition and action
- ➠ Cap LULUCF credits, remove exceptions
- ➠ No carry over of surplus AAUs

AAUs and LULUCF – why they matter

AAUs

- Carried-over **AAUs** from the 1st commitment period of the KP **can be traded** with other Parties, effectively **raising** the **allowances of the buying Party without** requiring any additional **reductions by the selling Party**.
- An estimated cumulative total of about **9 to 13 billion tonnes of CO_2-equivalent** surplus AAUs will be generated by developed countries.
- Surplus AAUs from the first commitment period **deteriorate effective 2020 emission limits by roughly 8%** of 1990 Annex I industrial emissions.

LULUCF

- **Current LULUCF rules and rules proposed** in the negotiation text both **result in overall credits**, and thus an increase of allowed industrial emissions
- If all countries were to apply the accounting method that they prefer, this would **add emissions equivalent to about 3% of 1990 Annex I industrial emissions in 2020**

Increase level of ambition and action is feasible

- Economic **costs** for higher level ambition are **feasible**
  - OECD recently estimated that Annex-I GDP by 2020 might be reduced by **0.3%** for the strongest proposed reductions, leading to a reduction of emissions to 17% below 1990
  - IEAs World Energy Outlook estimates a reduction of GDP of **0.1%** by 2020 globally to achieve a 450ppm scenario
  - IIASA estimated that **up to 10% of reductions** could be achieved **at zero cost** for Annex I countries
- IPCC SRREN confirmed that renewable energy is **available** and **feasible**
  - Renewable Energy Sources are needed for low GHG stabilization and if **RE deployment is limited, mitigation costs increase and low stabilization levels may not be feasible**
  - Some RE technologies are already **broadly competitive** at existing energy prices
  - There is **no fundamental technological limit to RE integration** to existing energy systems

Why is an internationally-legally binding instrument needed?

1. Collective action is needed
2. Urgency requires a legally strong regime.
3. Common MRV rules are cheaper, more transparent and improve environmental integrity
4. A strong regime improves economic efficiency of emission reductions.
5. A legally binding agreement enhances the confidence in making commitments.
6. A legally binding agreement enhances the confidence in the delivery of commitments .
7. A legally binding agreement facilitates domestic implementation

Work Programme on Options and Ways to Increase the Level of Annex I Party Ambition

Current ambition is insufficient – a work programme up to Durban is needed to consider ways to increase this ambition

- Possible **inputs**:
  - Update to technical paper on 'mitigation potential' (FCCC/TP/2008/10)
  - Update to technical paper on 'possible means to reach reduction targets' in the context of the global goal and gap (FCCC/TP/2008/2)
  - Update to paper on 'financial flows'
- Possible **modalities**
  - Technical papers, workshops, submissions of views, expert inputs on potential and costs
- Possible **outcomes**
  - Identification of cost-effective global mitigation potential
  - Agreement on new mechanisms that generate substantial net global reductions
  - Broadening of access to international emissions trading under the Protocol

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