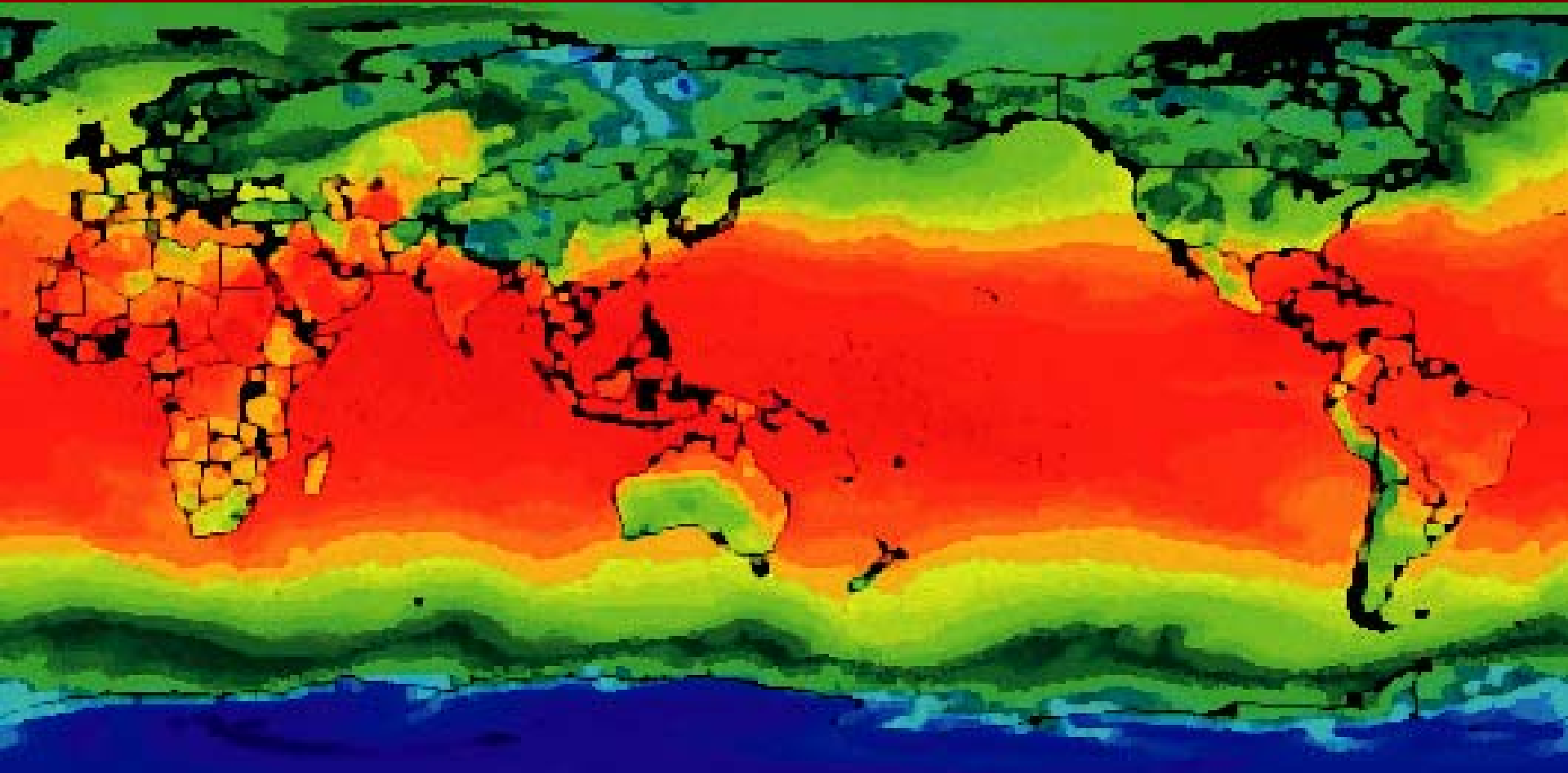


SEMINAR ON CLIMATE CHANGE

PART 2: GLOBAL POLICY RESPONSE



15/16 December, 2006

DG Relex, Brussels

Historical overview

- 1988: UNGA takes up issue of human-induced climate change, IPCC established
- 1990: IPCC 1st Assessment Report
 - Although many uncertainties, human activity leading to increased concentration of GHGs and rising temperatures
- 1992: adoption of the UNFCCC (9 May)
 - Entry into force 21 March 1994
- 1995: IPCC 2nd Assessment Report
 - Confirms detection of a 'discernible human influence on global climate'
- 1997: adoption of the Kyoto Protocol
 - Entry into force 16 February 2005
- 2001: IPCC 3rd Assessment Report
 - Confirms findings of 2nd Report, with new and stronger evidence of climate change

UNFCCC Objective

- *“to achieve...stabilisation of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system...within a time-frame sufficient to allow ecosystems to adapt naturally...to ensure that food production is not threatened and to enable economic development to proceed in a sustainable manner”.*

“Common but differentiated responsibilities”

- All countries obliged to respond to climate change
- Industrialised countries bear special responsibility to first modify upward trend in own emissions
- Poorer developing countries, contributing the least to the problem, are most vulnerable

Parties

■ Annex I Parties

- OECD (1992) members, EC, EITs
 - 40 countries + European Community in total
- Commitment to adopt policies and measures “with the aim of returning” their emissions of GHGs to 1990 levels by 2000

■ Annex II Parties

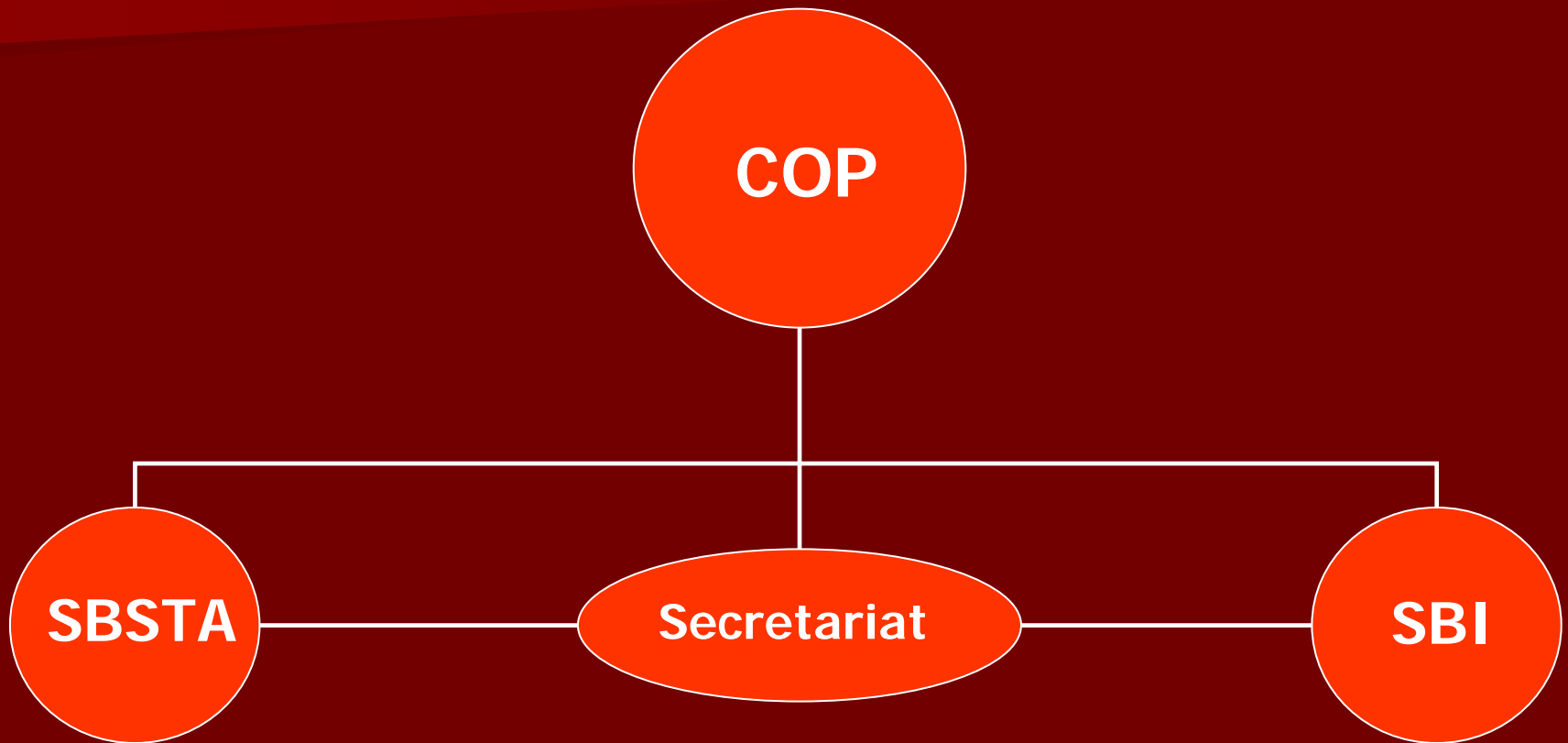
- Listed OECD countries
- Commitment to supply financial resources to developing countries to help meet their commitments and adapt to adverse effects of climate change
- Promote transfer of environmentally sound technologies to developing countries and EITs

■ Non-Annex I Parties

- Countries without an emission target



Basic institutional structure



Kyoto Protocol

- Quantitative emission targets for industrialised countries
- Flexibility mechanisms to help countries meet targets
- More stringent monitoring, review and compliance procedures

Kyoto Protocol

- Emission reduction targets for Annex I Parties of “at least” 5% by 2008-2012 from 1990 baseline
- Under the “bubble” provisions, EU allowed to redistribute its 8% reduction among MSs
- Commitments legally binding
- Significant efforts required, except for Russia and Ukraine

Kyoto Protocol – Targets (Annex B)

- **-8%**: EU-15, Bulgaria, Czech Republic, Estonia, Latvia, Liechtenstein, Lithuania, Monaco, Romania, Slovakia, Slovenia, Switzerland
- **-7%**: USA
- **-6%**: Japan, Canada, Hungary, Poland
- **-5%**: Croatia
- **0%**: New Zealand, Russia, Ukraine
- **+1%**: Norway
- **+8%**: Australia
- **+10%**: Iceland

Flexibility Mechanisms

- Allow Annex I Parties to claim credit for emissions reduced in any part of the world
 - Joint Implementation
 - Clean Development Mechanism
 - Emissions Trading

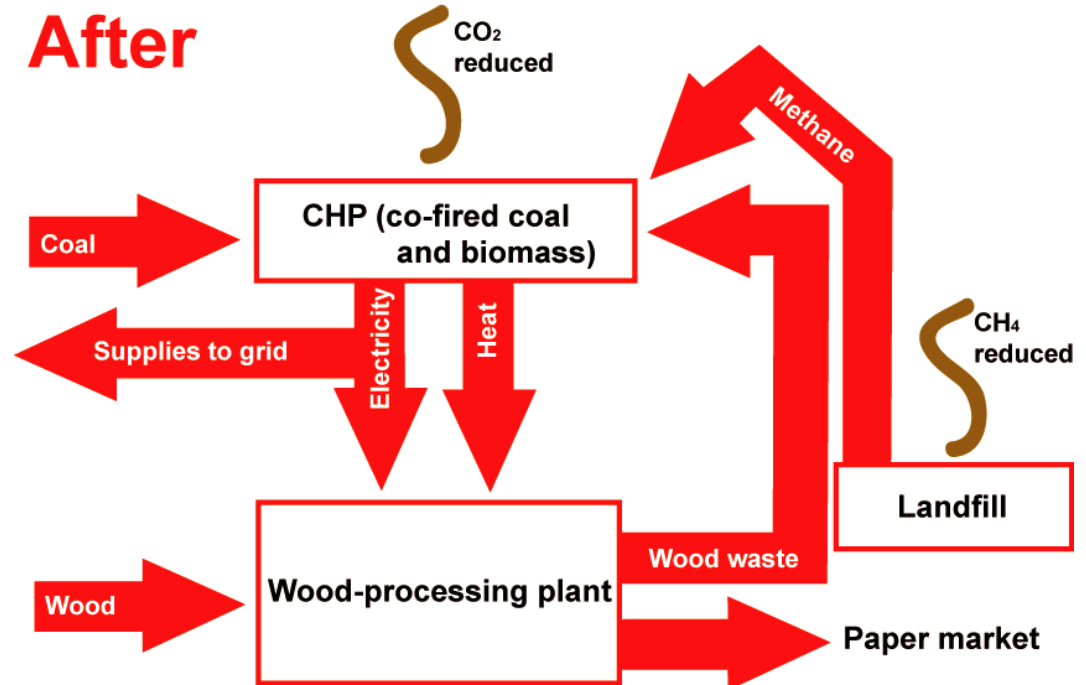
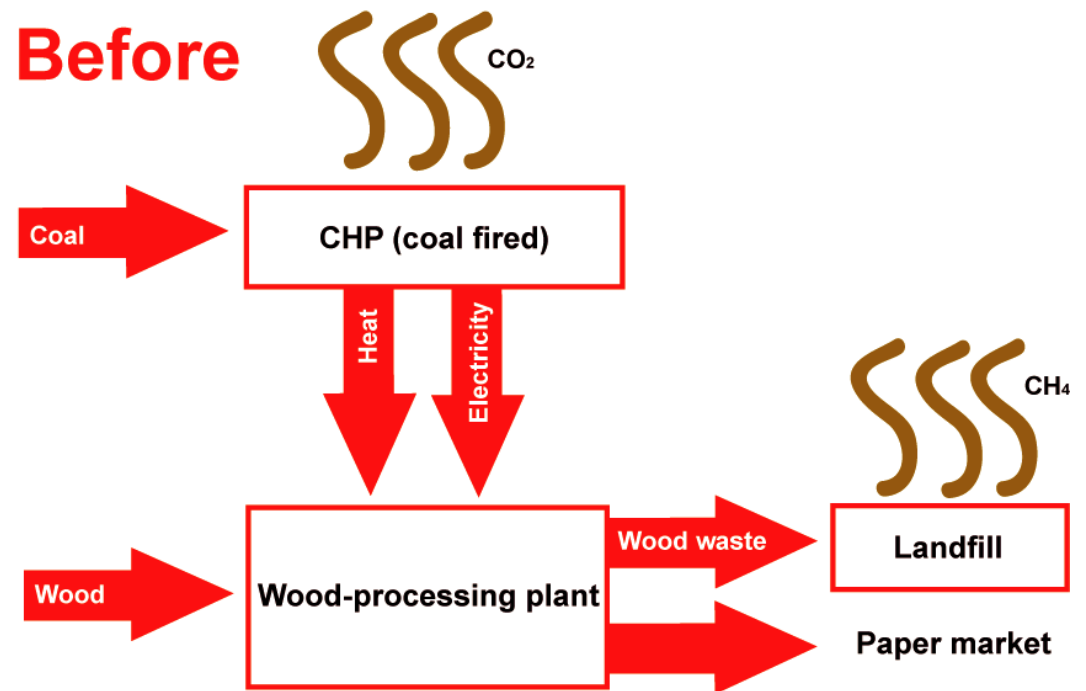
Joint Implementation

- Allows Annex I Parties implementing emission reducing projects in territories of other Annex I Parties and get Emission Reduction Units
 - Mainly between OECD countries and EITs
- ERUs only issued for a crediting period starting 2008

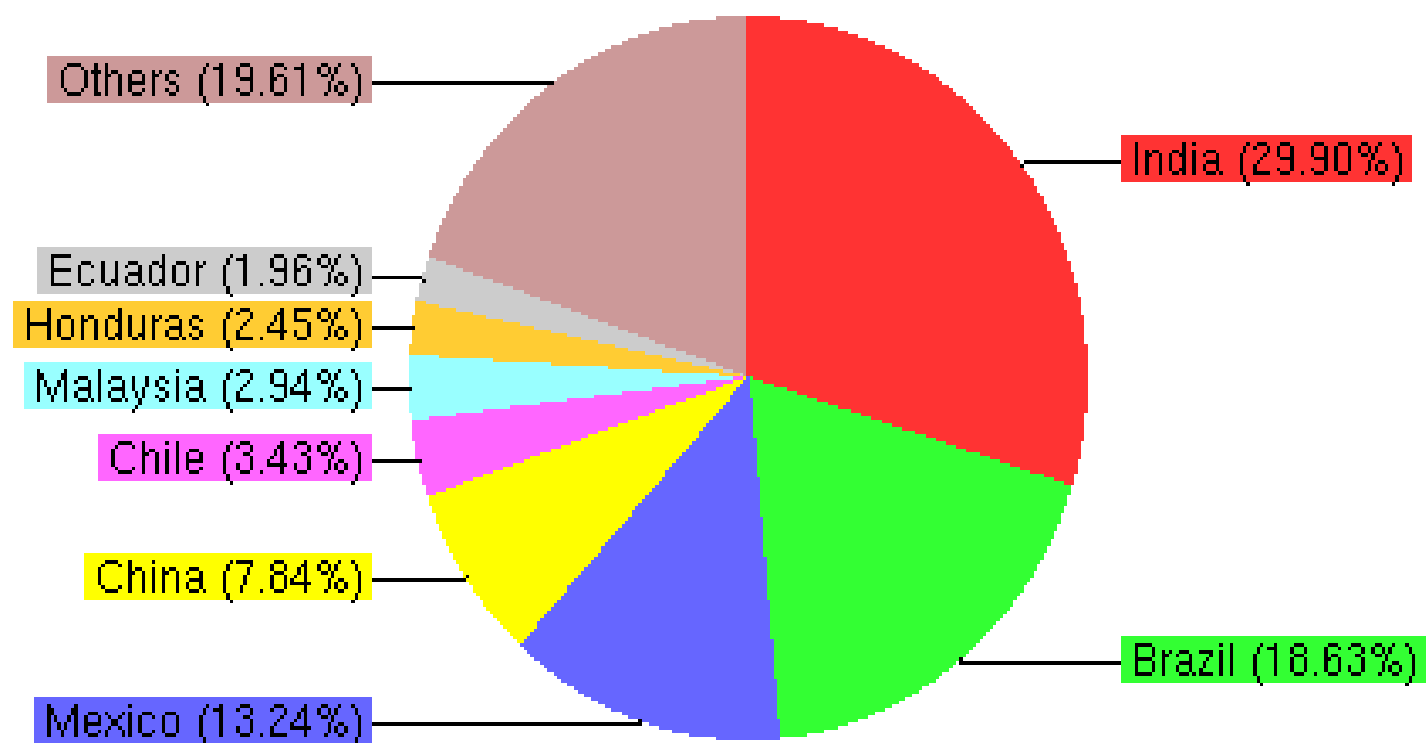
Clean Development Mechanism

- Twin objectives:
 - help Annex 1 countries achieve emission reduction commitments
 - help non-Annex 1 countries achieve sustainable development
- Between Annex I Parties and developing countries
- Supervised by an executive board
- Emission reductions achieved by projects get certified

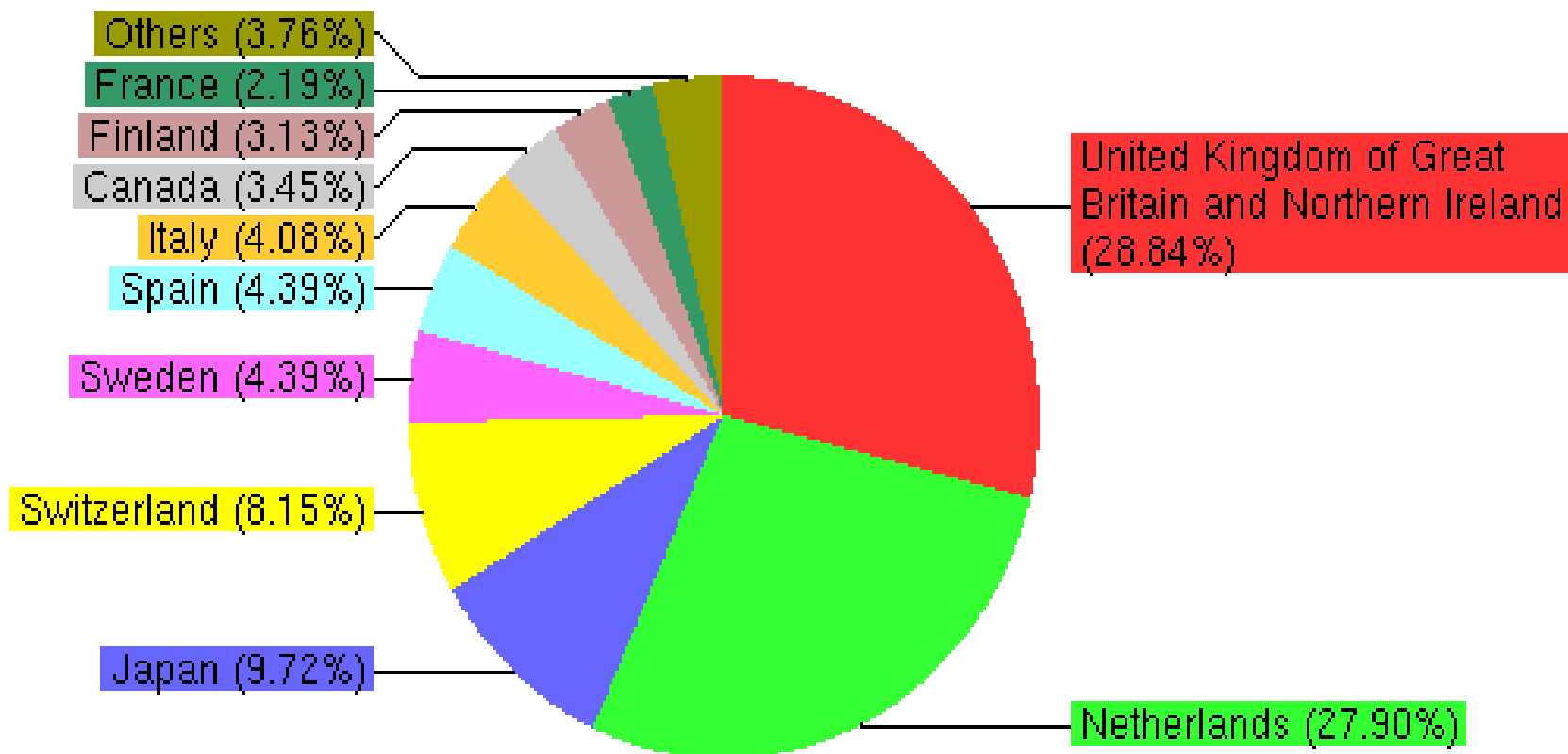
Hypothetical example of a CDM project



Source: UNFCCC (2003) *A guide to the Climate Change Convention and the Kyoto Protocol*



Registered projects by AI and NAI investor parties



Emissions Trading

- Parties able to reduce emissions at less cost may sell excess emissions allowance
 - Amongst Annex B Parties
- For all mechanisms, their use should be 'supplemental' to domestic action

Major negotiating coalitions

