

**Climate Action Tracker:
Developed countries set to widen the emissions gap**

Cancun: 08 December 2010

Three days before the end of the climate talks in Cancun, options are still on the table to widen the emissions gap between countries' targets and what is needed to limit warming to below 2°C or 1.5°C.

The bad news: The current negotiating texts for forests and for the use of allowances after 2012, which were originally meant to be used before that date, will significantly weaken the ambition level of developed countries emission reduction targets, according to the latest analysis by the 'Climate Action Tracker', an online climate policy assessment system.

The good news: Countries in Cancun still have the chance to narrow the gap between their existing aggregate reduction proposals and what is necessary to limit global temperature increase to 2°C or lower. According to the Climate Action Tracker, this gap is currently 8 to 12 billion tonnes of CO₂ equivalent emissions per year (GtCO₂eq/yr) in 2020.

"What is proposed for forest credits and surplus allowances in total contributes to the gap up to 2 billion tonnes of CO₂eq/yr", says Michiel Schaeffer of Climate Analytics, who developed the Climate Action Tracker together with researchers of Ecofys and the Potsdam Institute for Climate Impact Research (PIK).

"The reduction goals by developed countries would be weakened from 12% to 18% below 1990 levels to levels that match the expected emissions for 2020 without any further mitigation, which are about 2% below 1990 levels", says Dr. h.c. Bill Hare (Potsdam Institute for Climate Impact Research and Climate Analytics).

"The reduction proposals themselves by the big developed and developing countries have not changed since our last update. With the currently proposed forest credits and surplus allowances, our calculations point to a virtual certainty of exceeding 1.5°C, with global warming by 2100 very likely to rise above 2°C and even a 50% chance of exceeding 3°C", says Dr. Niklas Höhne of Ecofys.

The two provisions that can decrease the ambition level in detail:

- **Forests:** Using the accounting rules for forests and land use that are in the current negotiating text, or those that each individual country currently prefers, would add to 2020 emission limits by about 3% relative to 1990, or about 0.5 billion tonnes of CO₂ equivalent/year (GtCO₂eq/yr).
- **Surplus allowances:** The current negotiating text includes options to allow countries to use allowances originally meant for the period until 2012 beyond that date. It would add to the total developed-country 2020 emission limits by about 3-9% relative to 1990, or about 0.6-1.6 GtCO₂eq/yr. Countries like Russia, the Ukraine, Belarus and also several EU member states will have emissions below their emission target by 2012. This will be the result of emission reduction policies, the effects of the current recession and the fact that 2008-2012 allowance allocation were already noted to be too high during the negotiations for the Kyoto Protocol ("Hot air"). These countries could use their surplus allowances also after 2012, either for domestic use, or to trade with other countries, thereby increasing the emission limits of the latter.

These assessments of pledges are made possible by the Climate Action Tracker (www.climateactiontracker.org) - a web-based assessment system that shows how the commitments of each country to reduce greenhouse-gas emissions contribute to total reductions globally. The assessment system also provides climate model projections that estimate the effect of the resulting global emissions pathway on global warming.

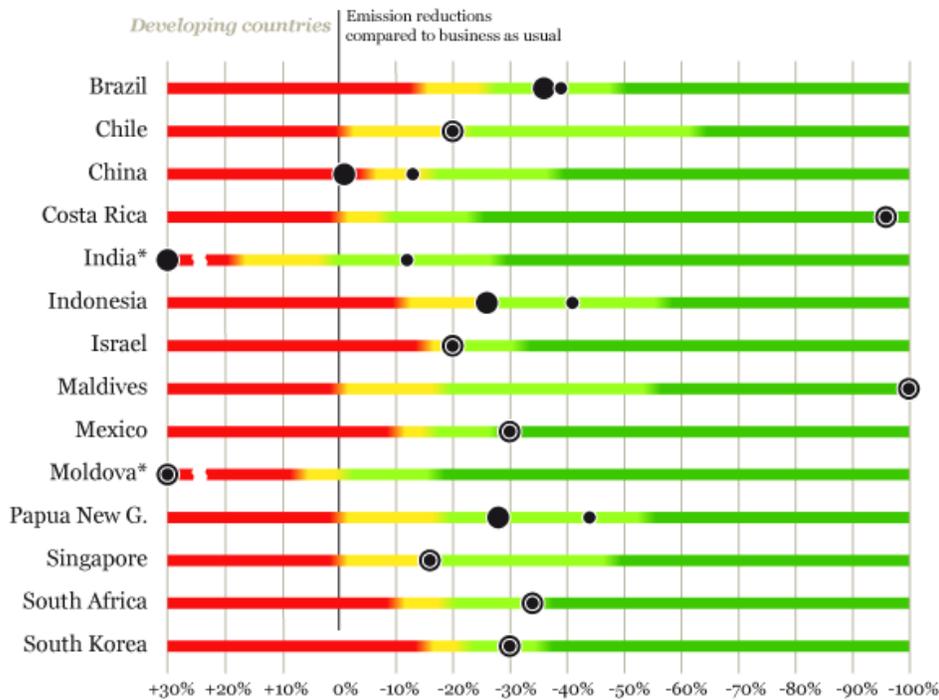
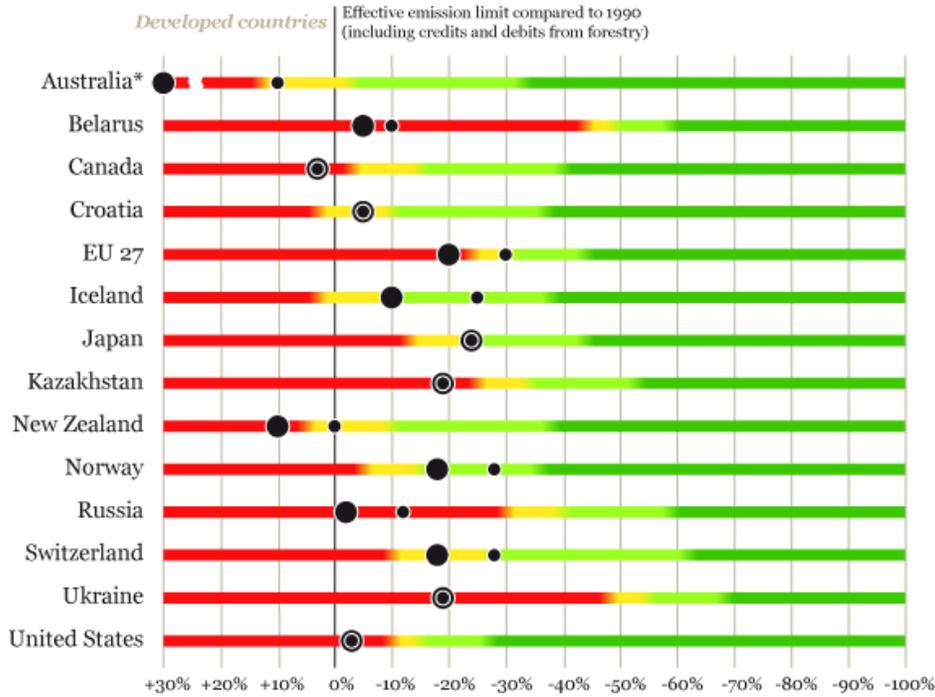
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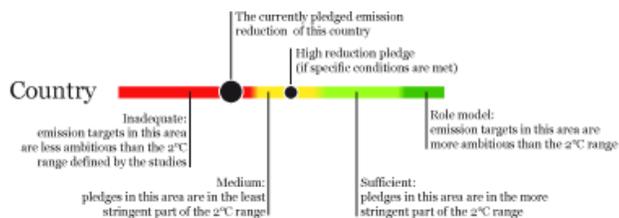
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ENDS

(For notes to the editor see below.)



* Australia: Current pledge 41% above 1990 emissions
 Moldova: Current pledge 64% above business as usual
 India: Current pledge 43% above business as usual



Notes to Editors

Details & explanation: Accounting rules for unused allowances

Assigned Amount Units (AAUs) which are not used by Parties during the 1st commitment period of the KP (2008-2012) can be carried-over to the 2nd commitment period. These carried-over AAUs 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 10 billion tonnes of CO₂-equivalent (GtCO₂eq) surplus AAUs will be generated by developed countries (Annex I Parties) as a whole over the 1st commitment period (2008-2012). Main contributors are Russia, the Ukraine, Belarus, and the EU-27.

Surplus AAUs deteriorate effective 2020 emissions by roughly 3-9% of 1990 Annex I industrial emissions.

Options for the rules on carryover in the negotiation text are:

- Full carryover: deteriorate 2020 effective emissions by 3-9% of 1990 emissions
- Limited carryover:
 - Cap on carryover of 10% of a Party's 1st commitment period AAUs: deteriorate by about 5% of 1990 emissions
 - Cap on carryover of 1% of a Party's 1st commitment period AAUs: almost no deterioration
 - Cap on carryover of 0.1% of a Party's 1st commitment period AAUs: virtually no deterioration
 - For domestic use only (no trade): deteriorate by 1-2%
- No carryover: no deterioration

Details & explanation: Accounting rules for forests are significant

Land use, land-use change and forestry (LULUCF) accounting generates credits and debits which are raise and lower allowed industrial emissions. Current rules and rules proposed in the negotiation text both result in overall credits, and thus an increase of allowed industrial emissions. Additionally Article 3.7 in the Kyoto Protocol allows countries with emissions from land use change and forestry to add land use change emissions to their base year emissions, which also increases allowed emissions.

If all countries would apply the accounting method that they prefer, this would add emissions equivalent to about 3% of 1990 Annex I industrial emissions in 2020. The option presented in the current negotiating text that allows countries to each set their own benchmark level for future accounting, and with the USA's preferred option included¹, would add emissions equivalent to about 2.6% of 1990 Annex I industrial emissions in 2020.

Options limiting this net credit are:

- Overall limit of LULUCF credits. Limiting the amount close to that of first commitment period (2008 to 2012) levels would be equivalent to about 1% of 1990 emission for developed countries. Halving this to about 0.5% of 1990 industrial emissions would limit the additional emissions to about 90 MtCO₂eq/yr.
- Amending Article 3.7, which currently includes an exception for countries that had high emissions from forest in 1990, to exclude this exception, as included as option in the current negotiating text. This provision mainly concerns Australia

¹ The USA is not officially part of the discussions under the Kyoto Protocol, where these rules are discussed and therefore their reference level is not included in the current negotiating text

and excluding it would improve the total Annex I targets for 2020 by 1% of 1990 emissions.

Global pathway: insufficient to meet 2°C or lower

With these new developments the world is still headed for a global warming of 3.2°C by 2100 (2.6 to 4.0°C). Carbon dioxide concentrations are projected to be over 650 ppm (parts per million) in 2100, far above the 350 ppm limit called for by many countries. Total greenhouse-gas concentrations would be close to 800 ppm CO₂-equivalent by 2100.

About the Climate Action Tracker

The web-based climate policy assessment system 'Climate Action Tracker' (www.climateactiontracker.org) was developed by Ecofys, Climate Analytics and the Potsdam Institute for Climate Impact Research (PIK). It provides regularly updated information on each country's proposed commitments and actions and how these contribute to total greenhouse gas emission reductions globally. It has been online since November 2009.

Dr Niklas Höhne, Director energy and climate policies at Ecofys and lead author at the IPCC, developed, together with Dr Michel den Elzen from MNP, the table in the IPCC report that is the basis for the reduction range of -25% to -40% below 1990 levels by 2020 that is currently being discussed for Annex I countries. The Ecofys team includes Katja Eisbrenner, Christian Ellermann, Markus Hagemann, Sara Moltmann and others.

Dr Michiel Schaeffer – Co-Director and Senior Scientist at Climate Analytics, which includes Policy Analyst Kirsten Macey, among others.

Dr Claudine Chen works on the PRIMAP model at the Potsdam Institute for Climate Impact Research (PIK), along with other members of the PRIMAP team (<http://www.primap.org>).

Dr h.c. Bill Hare (PIK and CEO of Climate Analytics) was a Lead Author of the IPCC Fourth Assessment Report and is the co-leader of the PRIMAP team, with Dr Malte Meinshausen of PIK.

About Ecofys

<http://www.ecofys.com>

Ecofys is a leading knowledge and innovation company that operates in the field of renewable energy, energy efficiency and climate change with the mission 'A sustainable energy supply for everyone'. We deliver research and service solutions from product development to implementation management. Our clients are energy companies, financial institutions and corporate businesses, governments and local authorities, international institutions, project developers, housing associations, building companies and energy consumers around the world.

About Climate Analytics

<http://www.climateanalytics.org>

CLIMATE ANALYTICS GmbH is a non-profit organization based in Potsdam, Germany. CLIMATE ANALYTICS has been established to synthesize climate science that is relevant for international climate policy negotiations. It provides scientific, policy and analytical support for Small Island States (SIDS) and the least developed country group (LDCs)

negotiators, as well as non-governmental organisations and other stakeholders in the 'post-2012' negotiations. It aims to assist in building in-house capacity within SIDS and LDCs.

About Potsdam Institute for Climate Impact Research (PIK)

<http://www.pik-potsdam.de>

PIK conducts research into global climate change and issues of sustainable development. Set up in 1992, the Institute is regarded as a pioneer in interdisciplinary research and as one of the world's leading establishments in this field. Scientists, economists and social scientists work together, investigating how the earth is changing as a system, studying the ecological, economic and social consequences of climate change, and assessing which strategies are appropriate for sustainable development.