

Cheating the atmosphere

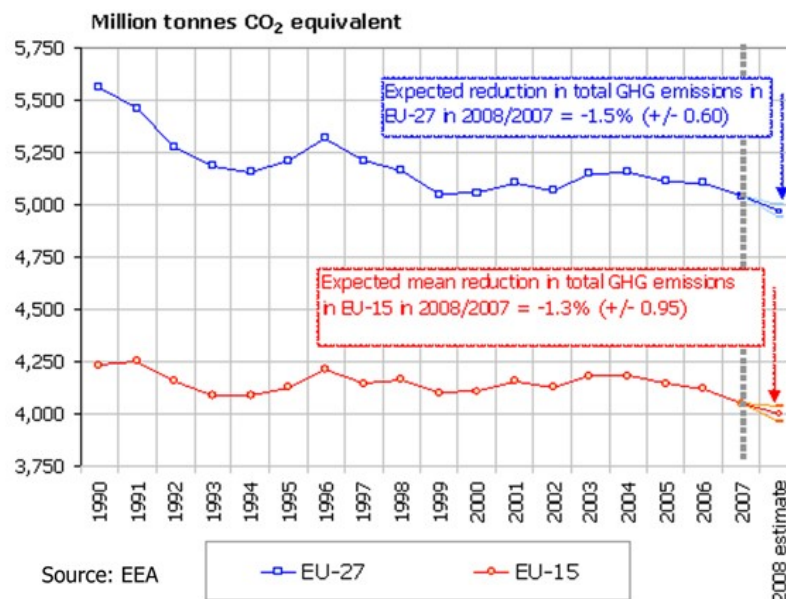
Why the EU can do much more for the climate

The European Union's commitment to a 20% emission cut¹ by 2020 represents nothing more than business as usual. If the EU is to play its part in avoiding catastrophic climate change and brokering an effective Copenhagen Climate Treaty it must deliver real emission cuts of 40% by 2020.

Greenpeace EU climate policy director Joris den Blanken said: "The overwhelming reliance on offsets and leftover credits would make the EU's 20% target a farce. What we need are real emission cuts, not accounting tricks."

The situation today

To date, EU emissions have already fallen by 10.7% from their 1990 levels. This drop has been driven by the restructuring of central and eastern European industry, business-as-usual efficiency gains, warmer winters that have reduced the demand for heating, and existing climate policies.



For 2009 and forthcoming years, the economic slowdown is expected to cause a further drop in global emissions. In October the International Energy Agency (IEA) stated in a report that energy-related emissions could fall as much as 3% in 2009 compared to 1990. This would be the highest annual drop in the last 40 years.

Furthermore, under the rules of the Kyoto Protocol there are two loopholes that the EU could use to meet part of its 20% reduction target without actually making real emission cuts.

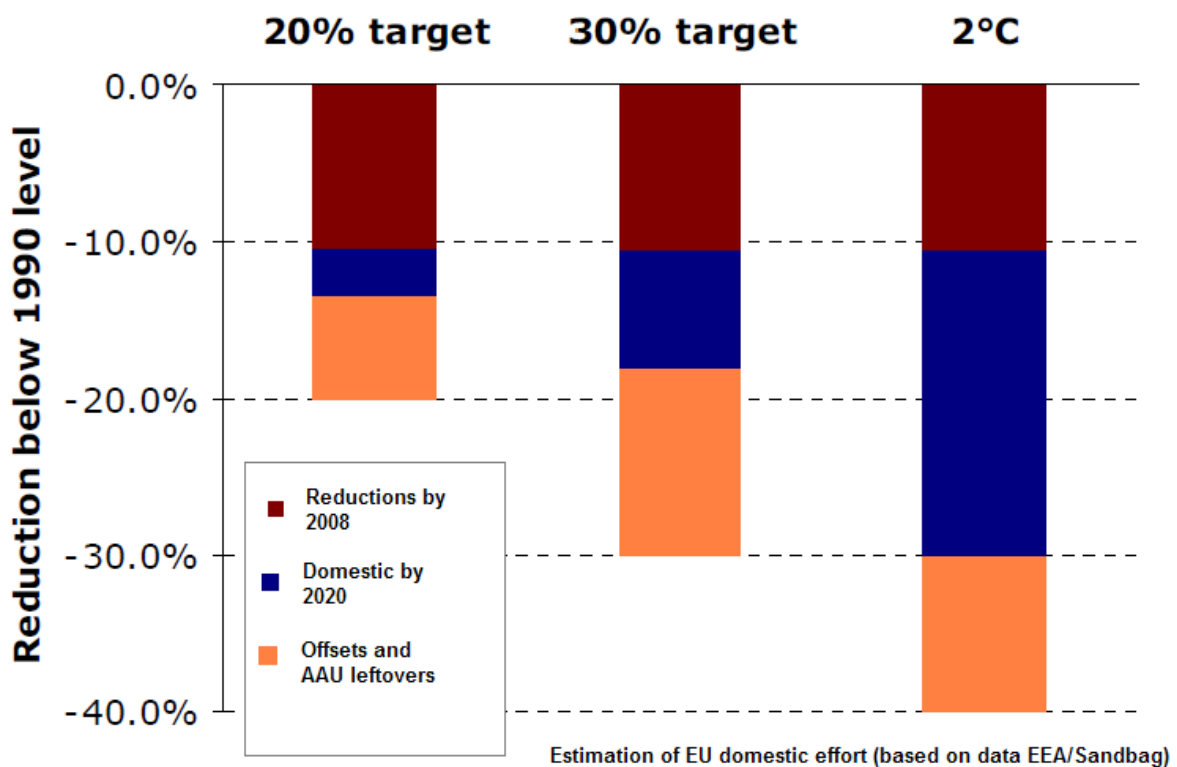
¹ The EU implemented the 20% target in the Climate and Energy Package. In the context of the international negotiations, the EU would be prepared to increase its reduction target to 30% under certain conditions, which are still being debated at ministerial level.

1. Offsets

The EU can meet a proportion of its target using offsets purchased under the Kyoto mechanisms. In practical terms this means that the 20% target for 2020 only requires domestic emission reductions of around 16%. The rest of the cuts would be 'outsourced' to dubious climate projects in the developing world.²

2. Carrying over 'hot air'

Under the current Kyoto Protocol rules, countries that reach their 2012 emission reduction targets can carry forward any surplus emission credits for the purpose of meeting their 2013-2020 targets (to be agreed under the future Copenhagen agreement). Because of the dramatic fall in emissions that followed the collapse of communism, countries such as Russia, Ukraine, Poland and Hungary have accrued a lot of these credits, known as Assigned Amount Units (AAUs).



According to recent analysis, these leftover 'hot air credits' could be used to meet around half of the EU's domestic reduction effort under a 20% target.³ These AAUs could be banked by modifying the EU Effort Sharing Decision or could be privatised and banked under existing EU Emissions Trading rules (agreed last year).

Between offsets, hot air credits and reductions because of the economic slowdown, the European Union could meet its 2020 target of 20% emission reductions with no effort whatsoever.

² For more detail on problems associated with offset mechanisms see Oekoinstitut (2007), 'Is the CDM fulfilling its environmental and sustainable development objectives? An evaluation of the CDM and options for improvement' (Report for WWF).

³ Sandbag (2009), 'EU ambition at Copenhagen: more hot air means we can aim higher' http://sandbag.org.uk/files/sandbag.org.uk/EUambition_ii.pdf.

The EU can do more for Copenhagen

Unfortunately, sales of hot air and offsets will not fool the atmosphere. In 2007, the UN's Intergovernmental Panel for Climate Change (IPCC) called on industrialised countries to reduce emissions by 25-40% in 2020, compared to 1990 levels.

More recent climate studies consistently show that climate change is accelerating at a far faster rate than was predicted by the IPCC. In September 2009, forty of the world's leading climate scientists called on developed countries to reduce greenhouse gas emissions by at least 40% below 1990 levels by 2020, in order to keep global temperature increase below the dangerous 2 degrees Celsius (2° C) threshold.⁴

The situation is now so serious that if the worst emitters simply pay others to make cuts while they continue with business-as-usual, we will not achieve the absolute reductions in greenhouse gases required to avoid catastrophic climate change. Therefore, Greenpeace supports reduction targets in line with keeping global temperature increase below 2° C (see graph above) where emissions are reduced by 40% over 1990 levels, of which three quarters are reduced domestically.

The climate negotiations in preparation for Copenhagen are currently deadlocked over two issues: the extent to which the developed world will financially support climate action in developing countries, and whether developed countries will take on sufficiently strong emission reduction targets. The EU must, and can do more, on both issues.

Increasing the ambition of the EU emission reduction target

Greenpeace's Energy [R]evolution Scenario for the EU 27⁵ shows how emissions from the energy and transport sectors can be cut by 30% domestically while:

- meeting current economic growth projections,
- meeting current population growth projections,
- developing 348 000 new jobs in OECD Europe by 2020.⁶

According to the European Commission's own research, an energy saving of 20% compared to business as usual could save more than €60 billion every year.⁷

To achieve the transition to a sustainable economy, the EU must commit to deep emission cuts. The EU's current targets do not help reach a meaningful international climate treaty in Copenhagen. Furthermore, the EU should not allow the carrying over of leftover 'hot air' emission rights (leftover AAUs) into the post-2012 system. But, if in the end the decision is to allow these credits to be carried over, then all emission reduction targets must be radically upgraded. EU negotiators must be granted the mandate to move beyond the weak and conditional targets they have stated to date.

Greenpeace calls for:

- **An EU emission reduction target of at least 40% below 1990 levels by 2020, at least three quarters of which (30%) needs to be met by domestic action.**
- **The additional upgrade of the reduction target of the EU and other industrialised countries based on the amount of leftover emission rights carried over into the post-2012 system.**

⁴ 'Scientists' statement on 40% emissions reduction target for developed countries' http://assets.panda.org/downloads/scientists_statement__september_2009.pdf.

⁵ DLR (2008) 'Energy [r]evolution: a sustainable EU27 energy outlook' (commissioned by Greenpeace) www.greenpeace.org/raw/content/eu-unit/press-centre/reports/EU-energy-revolution-report.pdf.

⁶ Greenpeace / EREC, Working for the Climate, <http://www.greenpeace.org/greenjobs>.

⁷ European Commission Green Paper, 'Energy efficiency – doing more with less'.