

Towards agreement on emission limits: Perspectives from Australia's Garnaut Review

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THE WHARF REVUE

Monday 8:36 PM



The Wharf Revue 2008: Waiting for Garnaut

By Jonathan Biggins, Drew Forsythe and Phillip Scott

Summary

"You're asking me what's going to be in the Wharf Revue? Well, let me tell you. We have ordered a wide-ranging enquiry into the matter and the commissioner will be reporting back in 2011 so I'm not in a position to pre-empt those findings. But I can say this: at the end of the day, Revue 2008 will deliver a balanced package of world's best-practice, cutting-edge satire that Australian working families so desperately need." *

As Australia holds its breath waiting for the government's response to the Garnaut Review into Climate Change, the outrageously talented Wharf Revue team (now 25% ethanol) returns to deliver its ninth annual dose of razor-sharp hybrid satire, with eco-friendly characters, carbon-neutral sketches and recycled self-defecating humour.

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The Garnaut Climate Change Review

An independent review for Australian governments

Prof Ross Garnaut commissioned by PM Rudd
(then opposition leader) and first ministers

TOR: Examine impacts of climate change on Australia's economy,
and recommend policies and policy frameworks

Released: draft report

Still to come: supplemental draft report, final report (end-September)

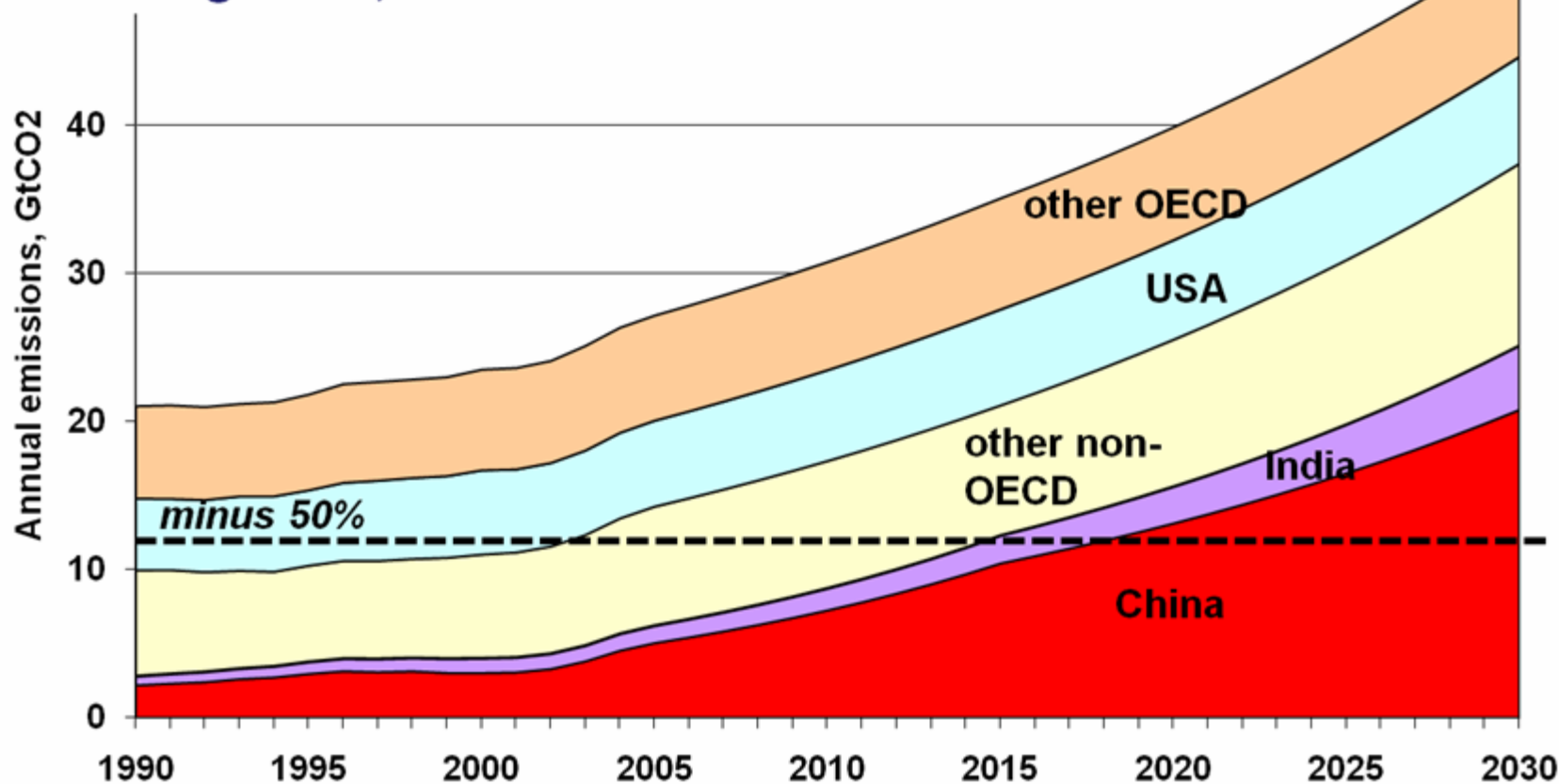
Australia is more vulnerable than other developed countries

Strong interest in effective global mitigation action

Global CO₂ emissions

Garnaut Review business-as-usual projection

**Do-nothing case worse than previously thought:
China's growth, and coal**



Greater urgency for broad international action

Bali –25 to – 40% by 2020 for developed countries will NOT do the job

Developing countries are the key

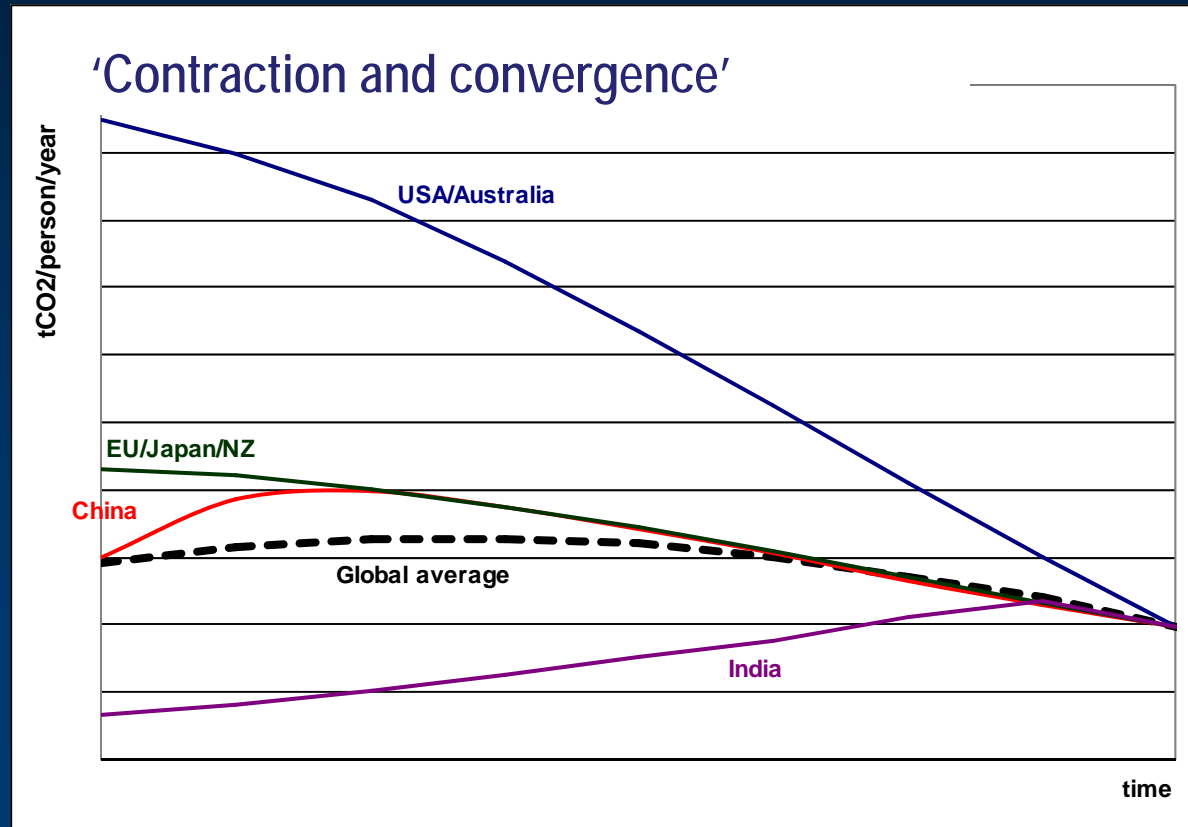
- Comprehensive engagement needed soon
- CDM not enough even if expanded

To achieve needed speed, depth and breadth of action:

- Define multi-year global budgets
- Allocate tradable emissions rights across countries
- ...using a simple, broadly acceptable approach to effort sharing

The only practicable approach: A gradual move to equal per capita allocations

- Must accommodate developing countries' growth aspirations
- Must allow gradual transition for high-emissions countries
- Must be simple!



Why the per-capita approach?

No other approach has a real chance

- Kyoto-style 'current level bases' unacceptable to DCs
- Equal/differentiated 'effort' approaches contestable & complex
- **Population the most basic indicator**
- 2050 goals by developed countries broadly in line with equal pc

It's not that bad for the New World

- High per capita *levels* mean faster reduction rates
- But **fast population *growth* means greater allocations**
- EU focus on absolute targets from 1990 base year...

Per capita rules

Convergence time the principal equity lever

- High emitters like slow convergence

Base date matters

- 1990/2000 unacceptable to developing countries

International trading in emissions allocations essential

- Harmonised price for efficiency, cater for differing circumstances
- Transfers to low-emissions countries

Flexibility

China needs some **headroom**

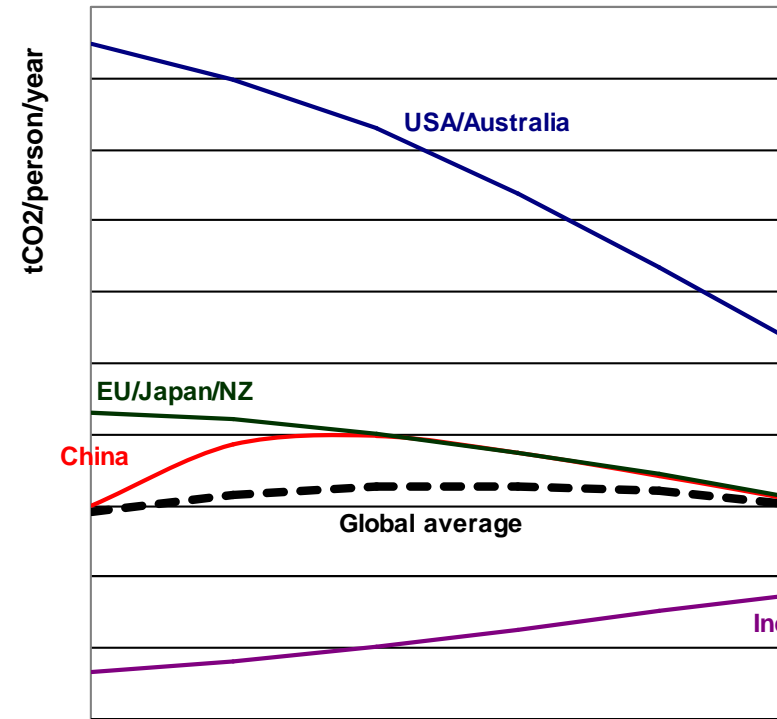
- Link to existing energy target:
CO2 growth = $\frac{1}{2}$ GDP growth

Developing countries need **safeguards**

- One-sided targets:
may sell, don't have to buy

National commitments not yet possible in some countries

- An improved CDM as a transitional measures



Differentiation and Graduation

- High-income countries plus China:
Binding targets and funding commitments
- Most developing countries:
One-sided targets (binding from 2020)
- LDCs:
CDM (one-sided targets from 2020)

A post-2012 international package

Targets and trading (...)

Tax-based **sectoral agreements**

- for traded emissions intensive industries, if no target applies

Low Emissions **Technology** Commitment

- for high-income countries
- nature of expenditure up to each country

Adaptation Assistance Commitment

- new and additional aid.

Wrapping up

Per capita the only practical long-term principle

- Alternative would be very heavy differentiation of absolute amounts
...on what basis?

Flexibility and graduation necessary

- but any diluting of effort must be made up for elsewhere

The hope for cooperation

- growing awareness of risks and the cost of inaction
- delaying is not postponing: to delay is to decide not to act

- [end]

China: GDP, energy use and CO₂ emissions

