Resolution on limiting global climate change to 2 degrees Celsius - the way ahead for the Bali Conference on Climate Change and beyond (COP 13 and COP/MOP 3)

2007/2650(RSP) - 15/11/2007 - Text adopted by Parliament, topical subjects

The European Parliament adopted a resolution on the way ahead for the Bali Conference on Climate Change and beyond (COP 13 and COP/MOP 3) to be held in Indonesia, from 3 to 14 December 2007, and urged that meeting to agree the necessary negotiating mandate to establish a realistic framework for an international post-2012 climate agreement which is consistent with the objective of limiting climate change to below 2°C compared to pre-industrial levels. The resolution was adopted by 398 votes in favour to 29 against with 63 abstentions.

Parliament stated that the Bali mandate should be based on the following elements:

- a long-term goal of limiting average global temperature increase to less than 2°C above pre-industrial levels, which means reducing global GHG emissions by at least 50% by 2050 compared to the 1990 level;
- binding targets for all industrialised countries;
- broader participation in reduction efforts, in particular by emerging economies through fair and proportionate targets;
- a global 'cap and trade' system;
- strengthened financial mechanisms for adaptation, with special attention to water resources;
- incentives to avoid deforestation and land-use emissions, including promoting sustainable agricultural practices;
- financial and other instruments for clean development and technology transfer and deployment;
- agreement by 2009 at the latest.

It pointed out that many areas in the world had already been affected by the effects of an increase in global average temperatures, and the latest scientific evidence suggested that the EU's agreed long-term goal of limiting warming to +2°C compared to pre-industrial levels might not be sufficient to avoid significant negative effects of climate change.

Targets for a sustainable use of resources and emission cuts must be based on the long-term goal. Parliament considered that, in the light of current knowledge, it was imperative that global emissions should peak within the next ten years, that the CO2-eq concentration in the atmosphere be maintained below 450 ppm, and that GHG emissions continue to decline to a level which can be sustained by the absorption capacity of natural sinks. Due account must be taken of the warnings of the scientific community to the effect that the already difficult task of limiting global warming to 2°C did not in itself constitute a safety standard, since it still entails extremely serious effects and consequences.

Members pointed out that the 25 biggest polluter countries accounted for 83% of global GHG emissions, and the emissions per capita in developed countries were many times higher than those of developing countries. Parliament welcomed the EU target adopted at the abovementioned European Council of 8-9 March 2007 of a 30% reduction of GHG emissions from their 1990 level by 2020 provided that other developed countries committed themselves to similar emission reductions and that more economically advanced developing countries make a contribution commensurate with their responsibilities and

respective capacities, and acknowledges the obligation accepted by the EU – irrespective of the conclusion of a global agreement for the period after 2012 – to reduce GHG emissions by at least 20% from their 1990 level by 2020. An appreciable reduction in CO2 could only be achieved by including major emitters in the industrialised countries, and also by securing the participation of newly industrialised countries. Emerging countries should accept limits on their emissions in accordance with their development stage, their per capita emissions, their emission reduction potential and their technical and financial capacities. The EU and other industrialised countries should assist developing countries in the deployment of sustainable and efficient technologies by means of co-financing, including Official Development Assistance (ODA), and capacity-building measures in order for the more economically advanced among them to be able to begin emission or carbon intensity reductions as soon as their development permits, at the latest by 2020.

Parliament recalled that the IPCC acknowledged the role of nuclear energy as an option for reducing greenhouse gas emissions, and believes that, where reasonable, energy needs should be met from all available carbon-free sources or low-emission technologies, including nuclear energy.

It went on to express concern about the pace of tropical deforestation accounting for some 20% of global GHG emissions and the negative impact on the global absorption capacity of natural sinks and biodiversity as well as on the livelihoods of poor communities. There must be more intensive incorporation of such incentives in the allocation of development aid by donors. It would be vital to create a strategic partnership with the countries most concerned by tropical deforestation. Performance-based incentives for avoidance of deforestation needed to be part of the future climate regime.

Parliament regarded an international framework agreement and a certification system for biofuels as necessary, with the aim of preventing adverse effects on the environment and excessively high CO2 emissions, stemming, for example, from deforestation and the burning of peat bogs. Research, development and promotion of second-generation biofuels were necessary. The report emphasised the moral obligation on industrialised countries to provide increased financial and capacity-building support for risk reduction and adaptation to climate change in low-income vulnerable countries. It called for strengthening existing funds under the UNFCCC such as the Adaptation Fund, the Least Developed Countries Fund, the Special Climate Change Fund and the GEF's Strategic Priority on Adaptation. Parliament then reconfirmed its support for the continuing use of the Clean Development Mechanism (CDM), stating that conditions should be created for the continuation and further development of the CDM beyond 2012. It emphasised, however, that, as an offset mechanism, it was only a temporary solution and the goal should remain to establish a global carbon cap based on a fair and proportionate allocation of quotas. Parliament maintained the principle agreed under the Kyoto Protocol that the use of flexible mechanisms must be supplemental to domestic reductions.

It called on the Commission, when revising the European Union Emission Trading Scheme (EU ETS), in order to improve the CDM, to initiate a change of course in the assessment of emission credits for afforestation and reforestation projects and sustainable forest management projects. It regretted that the ICAO had not been prepared to find any kind of legal instrument to limit greenhouse gas emissions from aviation even though this task was already given to the ICAO more than 10 years ago.

Other points raised in the report concern the following :

- the fact that a growing proportion of the earth's resources were used for livestock raising, and the need for an international post-2012 climate agreement to include a framework for sustainable livestock production;
- reviewing the extent to which rubbish dumps, which emitted up to 60 million tons of methane per year worldwide, could be decommissioned and used to produce energy in order to reduce the greenhouse effect and dangers to human beings;

- policies to decarbonise the economy would offer significant business opportunities in many technology areas, such as energy efficiency, renewables, sharing technology, carbon capture and storage (CCS), and Member States should boost investment and provide fiscal incentives to encourage research into clean technologies;
- market entry of clean technologies is hampered by barriers, such as subsidies for fossil fuels, import tariffs and lack of a knowledge base. There must be efforts to remove such barriers and to put in place positive incentives for investments in sustainable technologies and greater use of entrepreneurial incentive models ;
- nuclear power should remain excluded from the CDM and Joint Implementation mechanisms aimed at rewarding emission reductions in developing countries;
- Intellectual Property Rights (IPR) licensing fees in the area of clean technologies might constitute a barrier to the transfer of such technology to developing countries. A post-2012 agreement must entail a framework for IPR partnerships between industrialised and developing countries, providing alternative means of compensation for IPR holders, in order to ensure respect for property rights while at the same time facilitating technology flows;
- price differences resulting from divergent national commitments in relation to climate change might become a source of distortion of competition, including for SMEs. The Commission was asked to address this issue, namely through the development of instruments conducive to a higher level of coherence between environmental objectives and World Trade Organization's rules.

Lastly, in the absence of an effective global carbon 'cap and trade' system, Parliament supported sectoral targets for energy-intensive industries in countries without binding emission reduction commitments as a supplement to binding emission targets for industrialised countries in combination with commitments to transfer technology. Such targets were especially important for energy-intensive sectors that compete globally (steel, paper and cement) and could be a first step to offsetting distortions among trading partners.