

Fundazione Eni Enrico Mattei
Resources For the Future

‘The Future of the Kyoto Protocol: Alternatives for the second commitment period and beyond’

Next steps on another track?

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From Kyoto

- *Broad agreement on the use of emissions trading (ET)*
 - *A lot of thinking on commitments compatible with ET*
 - *Lessons from Kyoto: political will at domestic level*
- *Technology alternative?*
 - *Not really an alternative*

- *Is there a “right” form of commitments that could convince those that lack political will?*
- *Unlikely*
- *Think, rather, about the environmental ambition of future commitments*
- *Draw conclusions on next steps*

- *Countries commit to what they can do*
- *Kyoto changes this picture somewhat*
 - *Allocate then trade and achieve efficiency*
 - *For developing countries to commit, ensure a fair share*
 - *Current proposals not always sustainable because of the trading flows involved*
 - *No guarantee that countries act on their emissions*
 - *Broad governance problem (cf. Green investment scheme idea)*
- *More viable to adopt targets that are broadly in line with where countries are.*
 - *See EU burden-sharing agreement*

- *If commitments by developing countries are to be close to countries' emission levels when they negotiate...*
- *... We must work with them to ensure that these emission levels are relatively climate-friendly*
- *Illustration of what can be done:*
 - *French GEF project in residential building in China*

Policy issues for China

- *China's primary concern: build affordable homes for growing urban population*
- *Heating demand and energy efficiency*
 - *Consumption: 50-100% higher than western homes*
 - *National standards aim at improving energy efficiency*
 - *A first standard aiming for a 30% reduction in heat demand of new homes applies to 1% of new buildings after 10 years*
 - *2005 standard requires a 50% saving in heat demand per m²*
- *Efforts to improve energy efficiency cannot come in the way of the primary development concern*
- **The FGEF project sought to reconcile the primary goal of affordability with energy efficiency improvements**

Project description

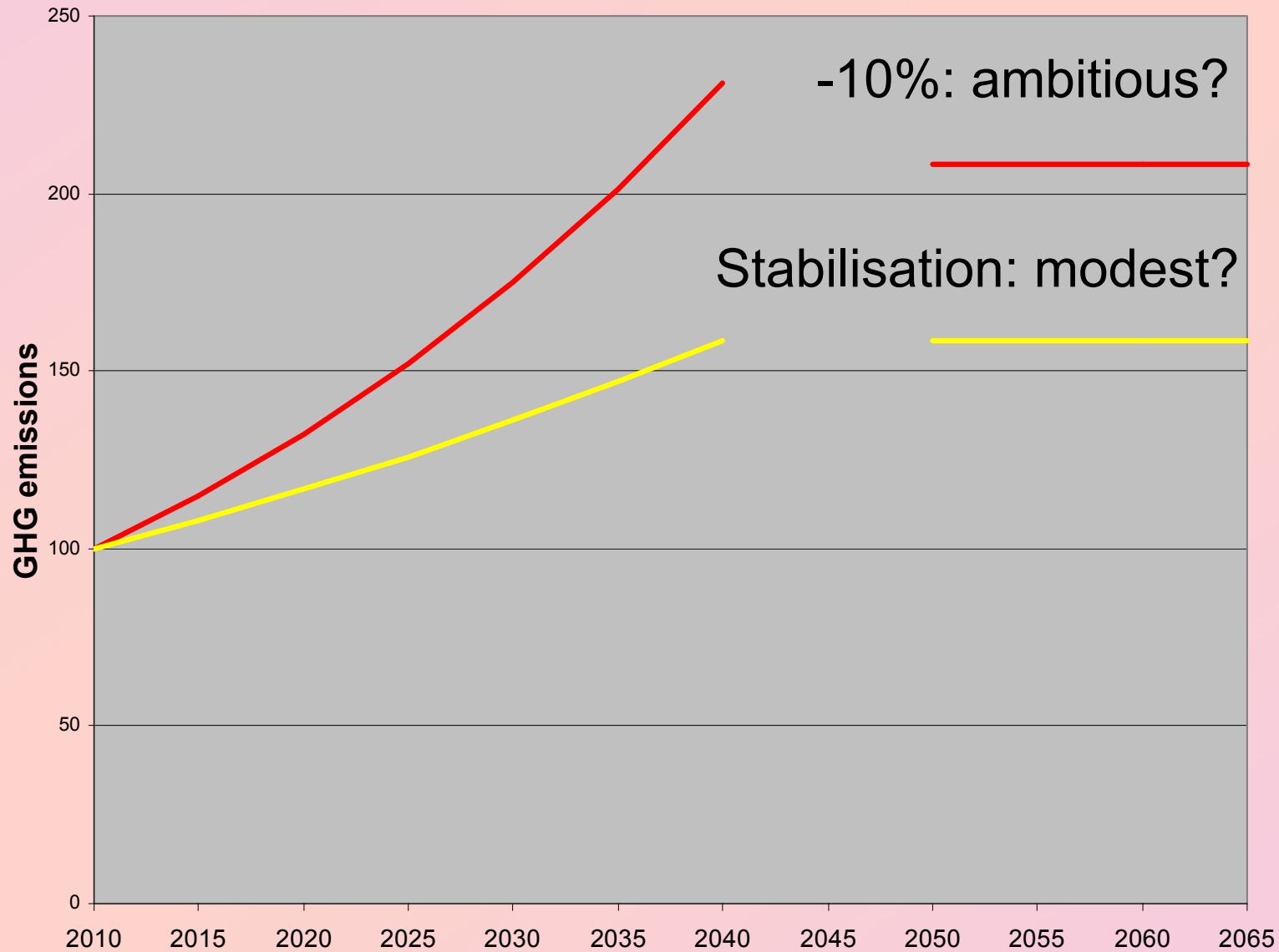
A new kind of North-South cooperation

- *Launched in 1999 in three Northern Provinces (Heilongjiang, Liaoning, Beijing)*
 - *Cold winters (-40°C in Harbin), wide seasonal variations*
- *Three-pronged approach:*
 - *Apply innovative technology on a large scale*
 - *Improve floor plans, introduce new insulation materials*
 - *Develop technical and industrial partnerships*
 - *Support to local government institutions*
- *FGEF funding for expertise (this phase): 3.2 M€*
- **Goal:** build 700,000 m² of energy efficient homes, avoid emission of 31,000 tCO₂ per year

Project results

- *As of 2003: 516,000 m² built with 50% reduction in heating needs, 29 000 tCO₂ avoided per year*
- *By 2004: 786,000 m²; 44,000 tCO₂ avoided*
- *Indirect effects (e.g. Heilongjiang region)*
 - *In 2000: only 600 000 m² of buildings met the standard (THIS project alone accounted for 20% of the total)*
 - *Thanks to new technology developed in the project, 7.5Mn m² of energy efficient homes were built in 2001. In 2003: 20 Mn m² (two years ahead of the national requirement). In 2004: 40 Mn m²*
 - *Large CO₂ reductions compared to a situation where national standards were not implemented locally (3 MtCO₂ over two years!)*

Commitments: path-dependency



- *Before pressing on commitments that are not political palatable*
 - *Work towards « policy transfer »*
 - *Not a bad investment for developed countries and for the global climate*
- *« Beyond Kyoto »?*
- *« Political will »?*
- *« Alternatives for next steps »?*

Further references

- *Chinese project*
 - *French GEF* - <http://www.ffem.net/anglais/>
 - *Executive agency for FGEF*:
 - *ADEME* - <http://www.ademe.fr>
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