

97 Month to Save the Planet

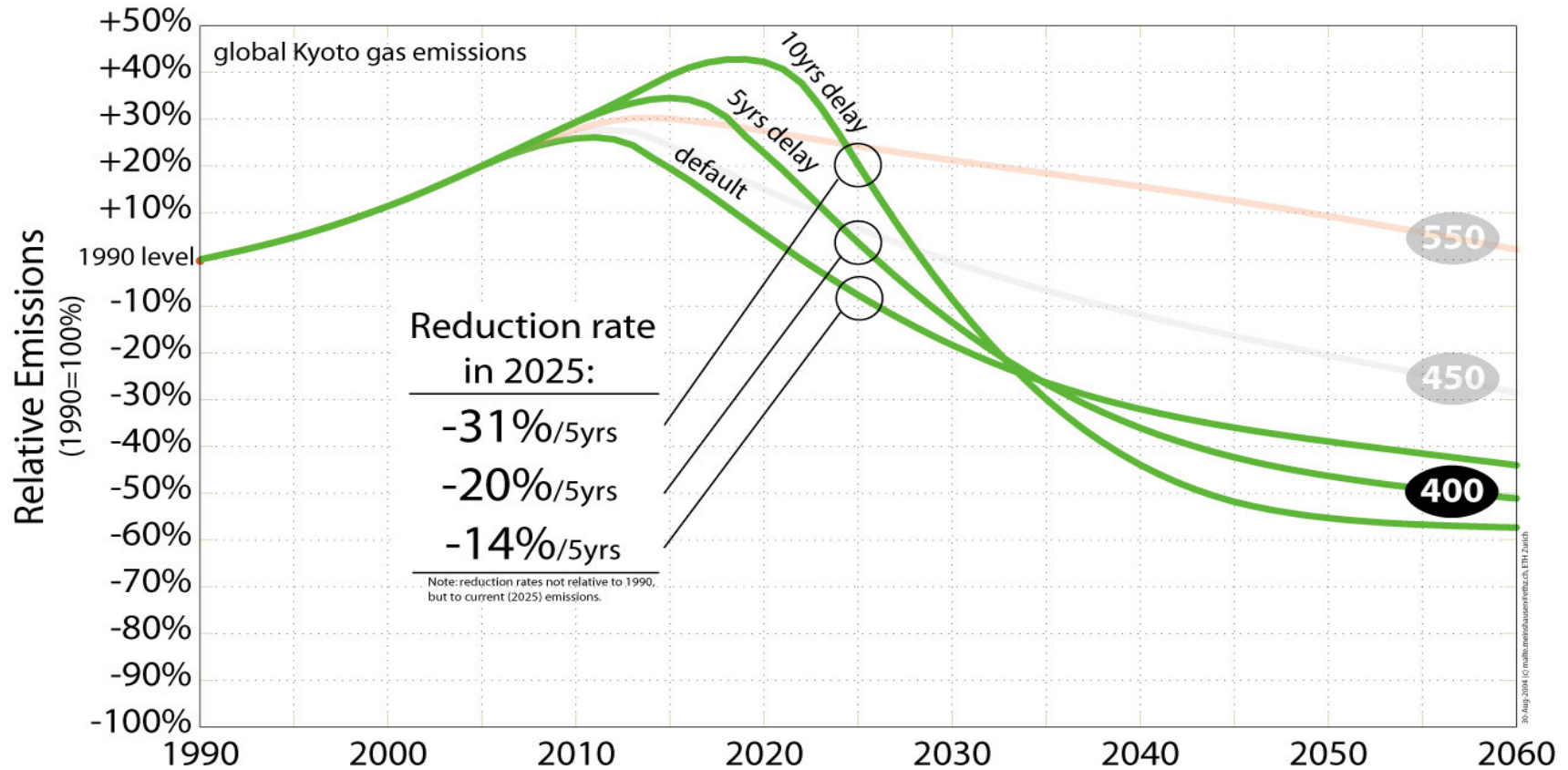
Prof. Dr. Claudia Kemfert

German Institute for Economic Research
and
Humboldt University Berlin

Stern report: are we moving in the right direction?

- Costs of international climate policy: with international emissions trading: **1 % of global GDP**
- Costs of non action: up to **20 % of global GDP**
- Benefits: up to 20 % of global GDP

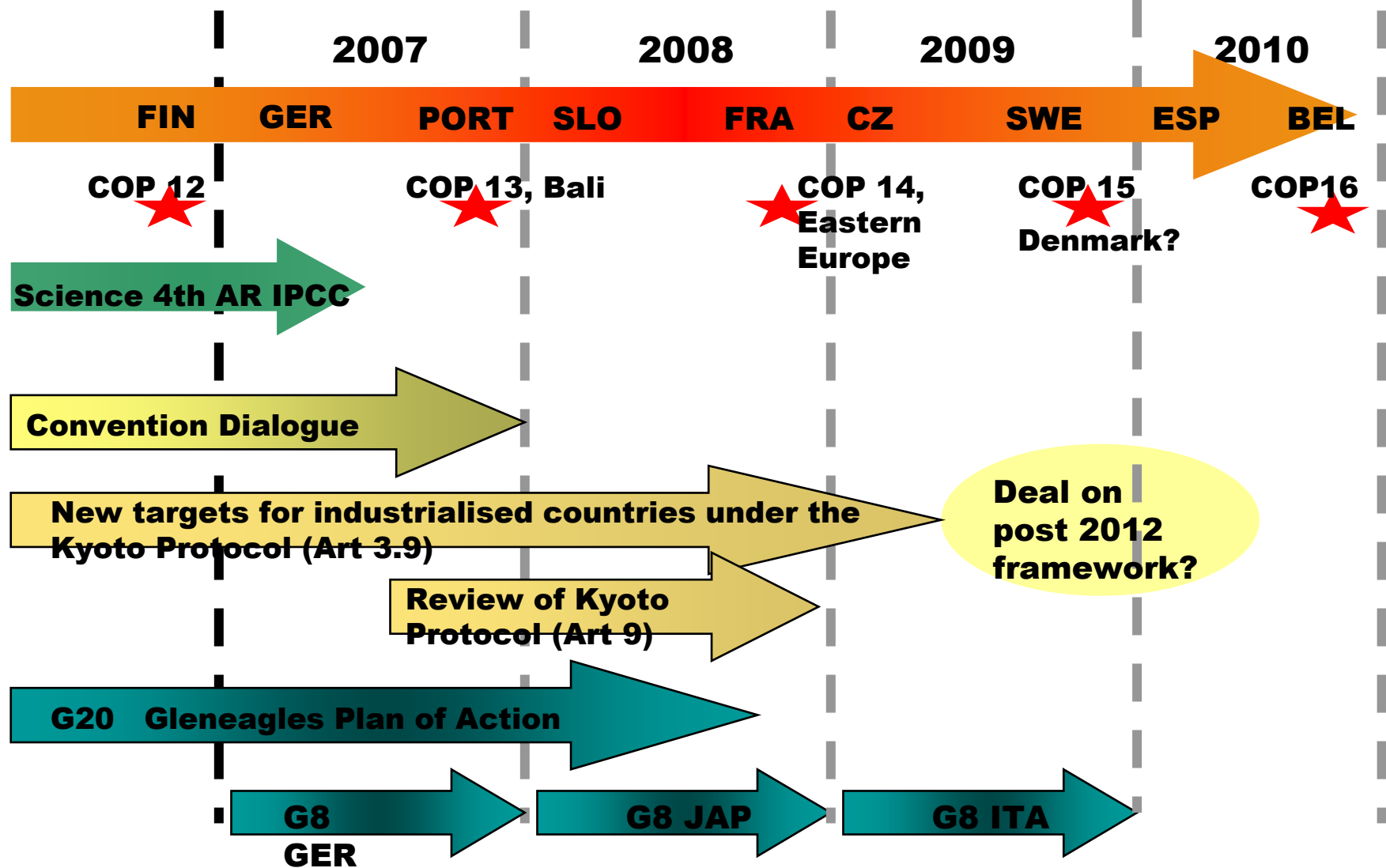
The window of opportunity is narrowing (example 400 ppmv)



Note: (a) The 550C_e, 5450C_e, and 5400C_e stabilization scenarios are based on the EQW multi-gas emission pathways method, which builds on the gas-to-gas correlations within the pool of 54 SRES and Post-SRES scenarios (Meinshausen et al. submitted).
 (b) Landuse CO₂ emissions are sharply decreasing in the default scenarios. If constant CO₂ emissions from the landuse sector were assumed, the emission reductions of the Kyoto-gases (fossil CO₂, Methane, N₂O, HFCs, PFCs, SF₆) have to be more pronounced. Alternatively, if emission allowances were given to avoided landuse emissions, overall emission allowances for the Kyoto-gases would have to be reduced accordingly (solid line).
 (c) Delay profiles were calculated by assuming a 5 or 10 delay in global action. In the illustrative default scenarios, OECD and REF regions are assumed to enter stringent emission reductions by 2010, and ASIA and ALM by 2015.

Source: Malte Meinshausen 2006

Next steps in the international agenda



Are we on the right direction?

- Yes, we are: IF European Goals NOT postponed
- Europe: get all countries on board
- Europe: not too many exemptions (emissions trading, energy intensive industries)
- USA: climate policy will play a role
- International: China ? India?

Are we fast enough?

- Of course, we could always be faster
- From the natural science- climate perspective: NO
- From the economic Perspective: not bad
- Financial Crisis: could bring economic advantages: Investors want financial security/ new emerging markets
- Climate Protection Markets: innovative THE future market!
- Financial Crisis also shows that market cannot solve all difficulties: climate Policy needs to prevent climate crisis

Can economic rationality and new technology ensure climate justice at a global level?

- Yes, it can!
- CO2 free save and affordable energy technologies urgently needed
- Investments in climate protection will strengthen new markets
- Those companies which can offer these technologies will have an economic market advantage
- New emerging markets need to apply climate friendly technologies

- **Adaptation and Sustainable Development**
 - Adaptation as important as mitigation
 - Support for Less Developed Countries
- **Access to Technologies and Capacity Building**
 - Technology is key
 - CO2 free, save and affordable energy
 - Capacity Building
- **Climate Agreement based on Human Dignity**
 - Polluter Pays Principle
 - Fast growing countries need to be incorporated

Main Message: Act Now! Do not Wait!

- Do not wait for global most efficient solutions, start with national strategies- everything you do for climate protection is welcome
- Convince consumer/ give right incentives to act climate friendly
- Give clear and stable long term policy signals in order to provide certainty for business
- Economic Opportunities are huge: Costs are investments! Future markets will bring long term economic stable markets!
- Businesses will benefit from clear policy signals

Outline

- Energy Efficiency Improvement: no Costs!
- Broad Energy Technology mix necessary!
- 0.5 % of global GDP in climate protection investments
- Benefits: new markets- huge changes for business
- Consumer: act climate friendly!
- Firms: go into the climate Markets
- Politicians: keep time scale, clear and consistent policy goals!

MURMANN

Claudia Kemfert

Die andere Klima Zukunft

Innovation
statt
Depression



Thank you!

www.claudiakemfert.de