Towards an ambitious 2015 agreement

the role of Asia and Europe

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Climate Action

Outline

- *The climate challenge*
- *EU and Asia as key partners*
  - **Trade**
  - **Climate Change**
- *Conclusion*

The climate challenge

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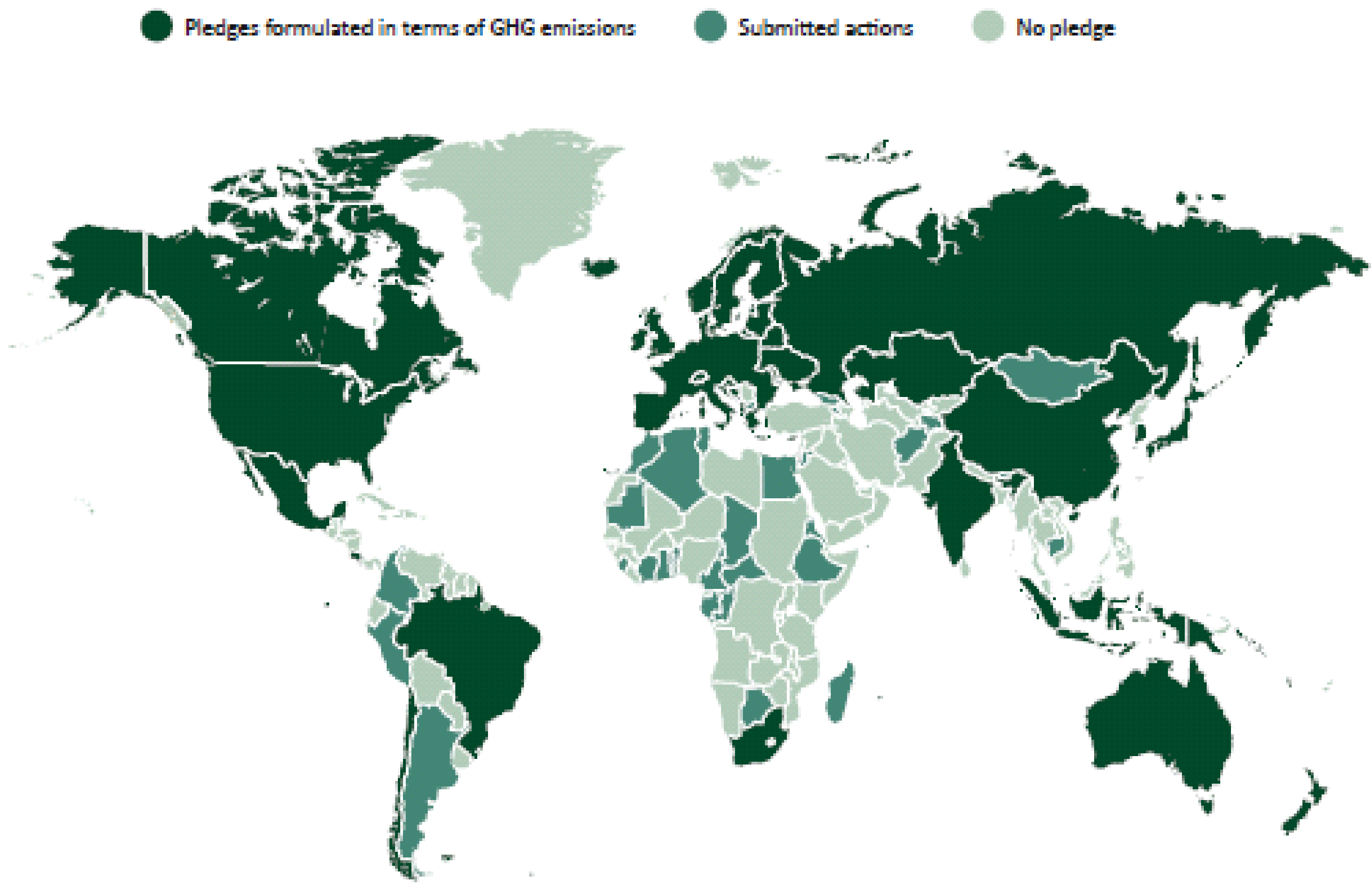
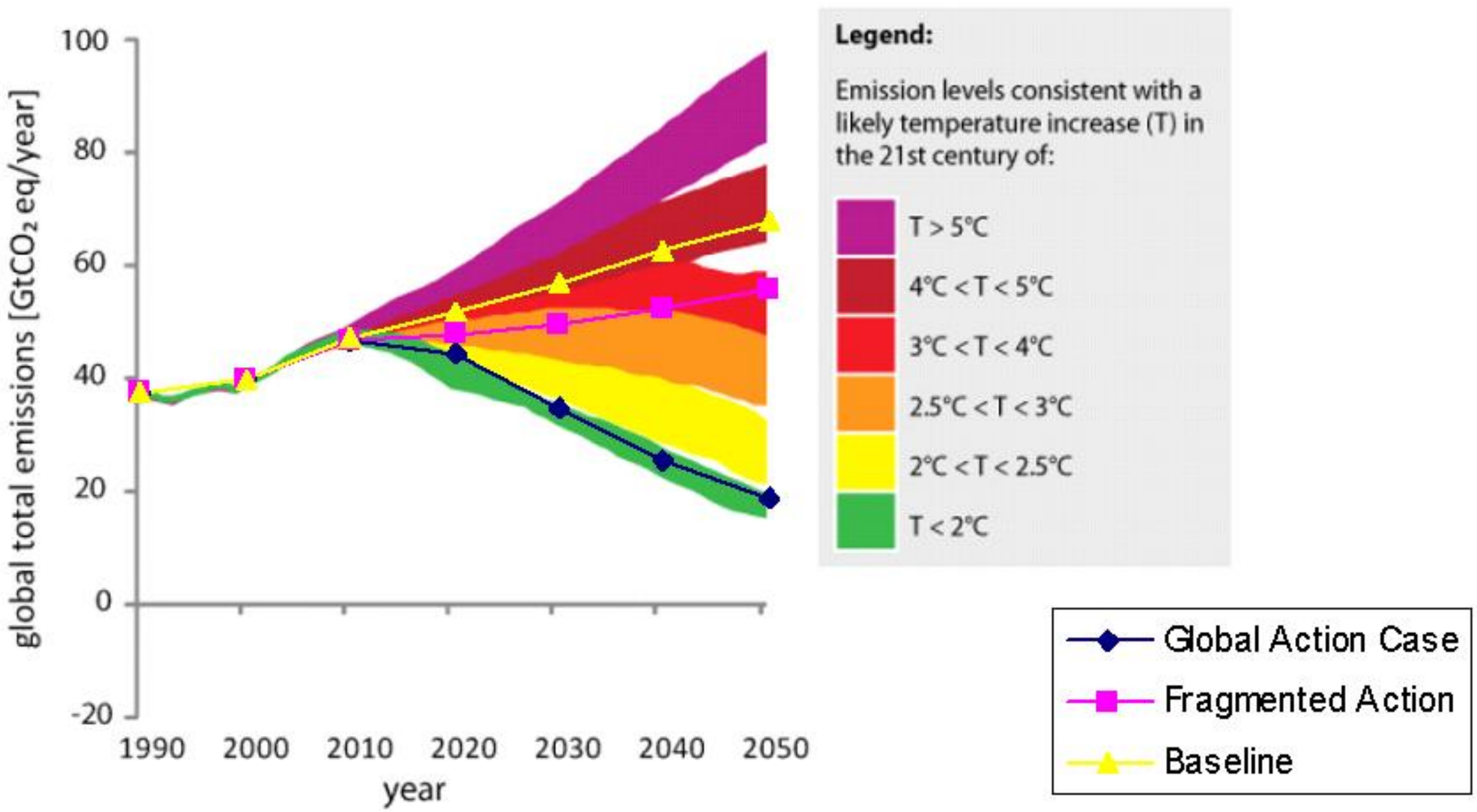
Current climate action



With a lot going on outside UNFCCC

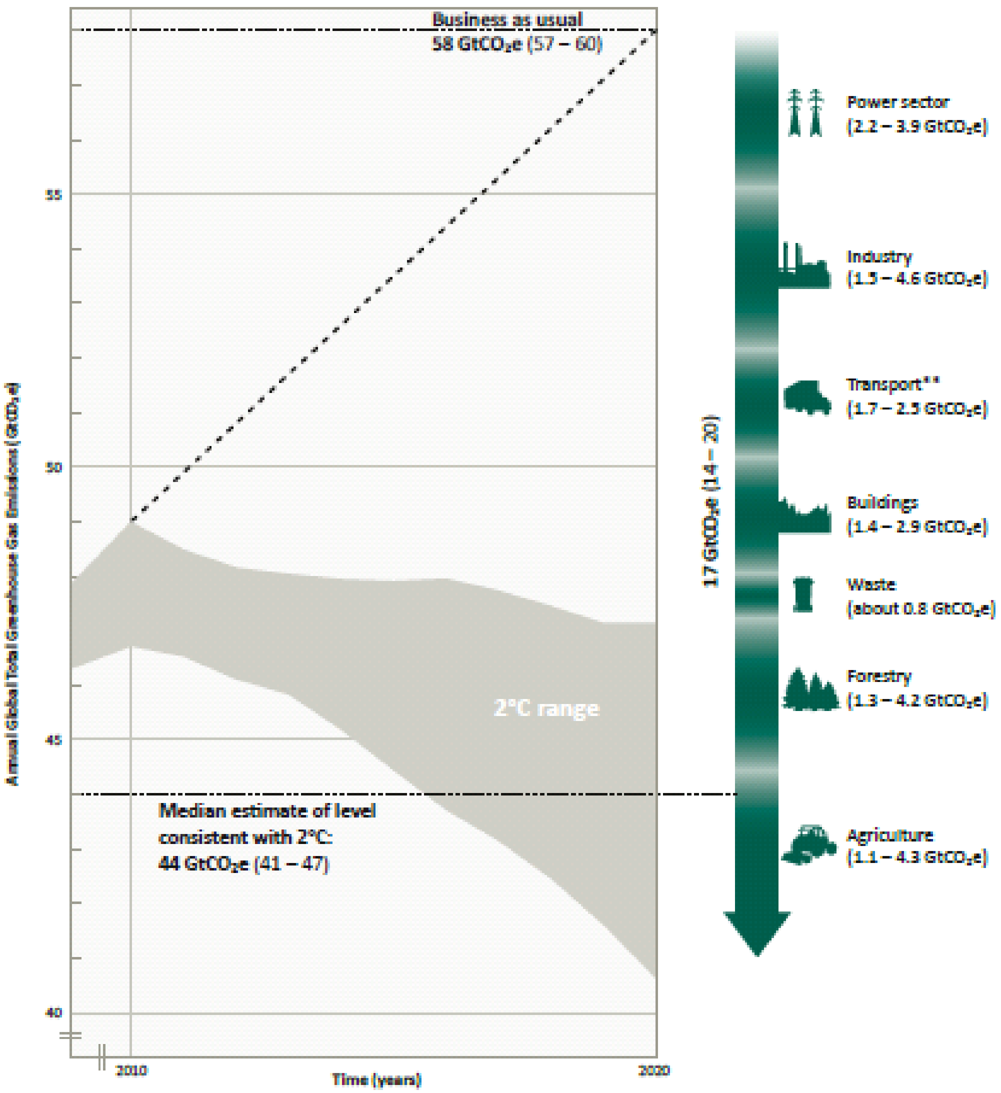
- ***Other multi-lateral agreements:*** *Montreal Protocol, Gothenburg Protocol, ICAO, IMO*
- ***Domestic emission trading systems:*** *EU, NO, CH, NZ, AU, US States, KR, CN*
- ***New market based systems:*** *Partnership for Market Readiness*
- ***Pluri-lateral Initiatives:*** *Climate and Clean Air Coalition, Global Bioenergy Partnership, Gas Flaring Initiative*
- ***Private sector initiatives:*** *IATA, Clean supply chain, carbon disclosure, carbon footprint*
- ***Finance:*** *Climate Investment Funds, Forest Carbon Partnership Forum, REDD+*

But much more needs to be done before 2020....



Bridging the gap is doable

How to bridge the gap: results from sectoral policy analysis*



*based on results from Bridging the Emissions Gap Report 2011

**including shipping and aviation

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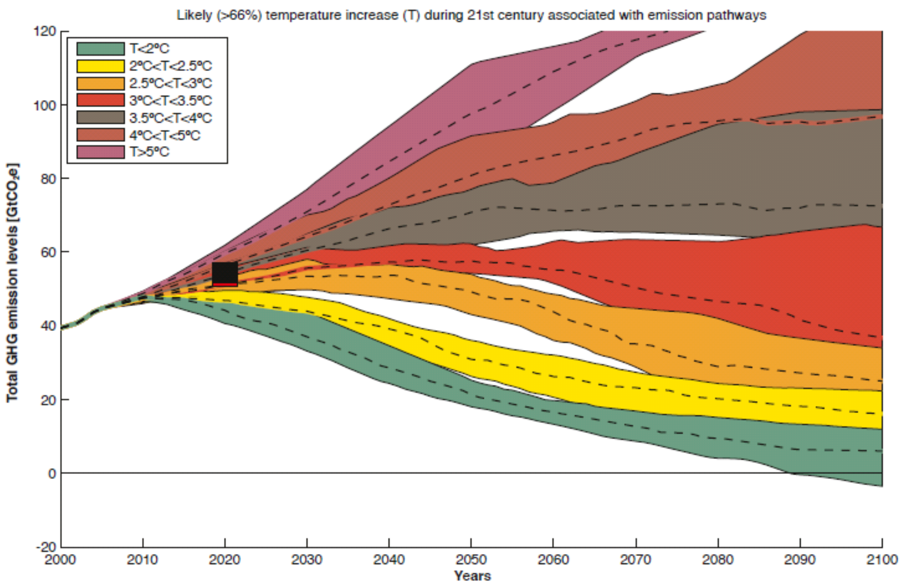
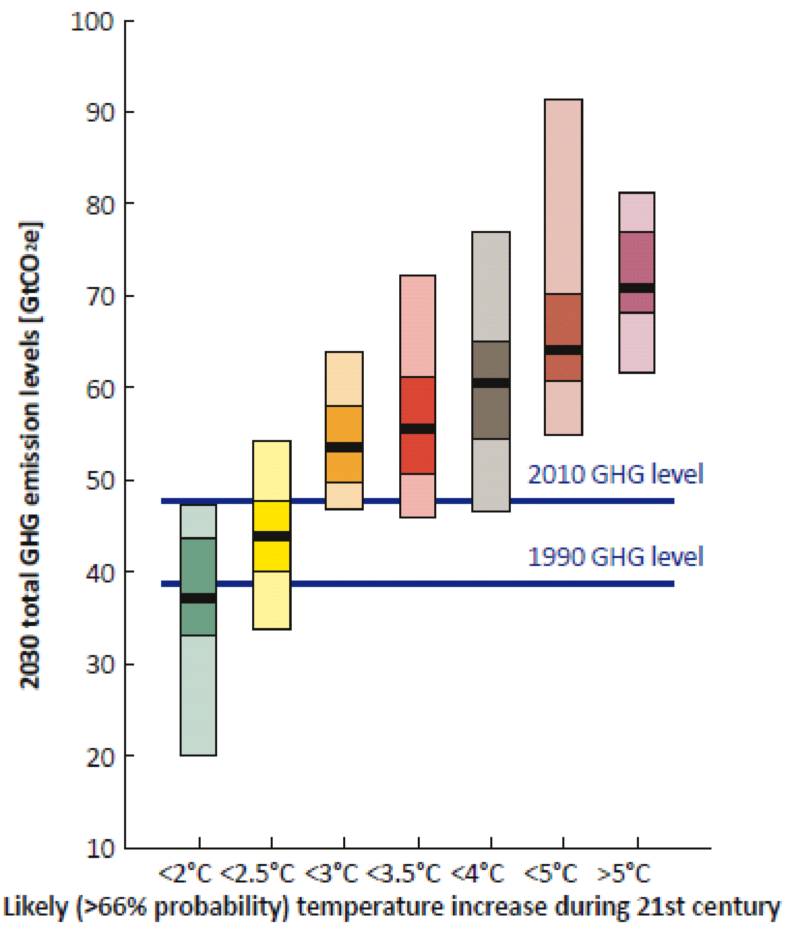
Reducing global emissions in 2030



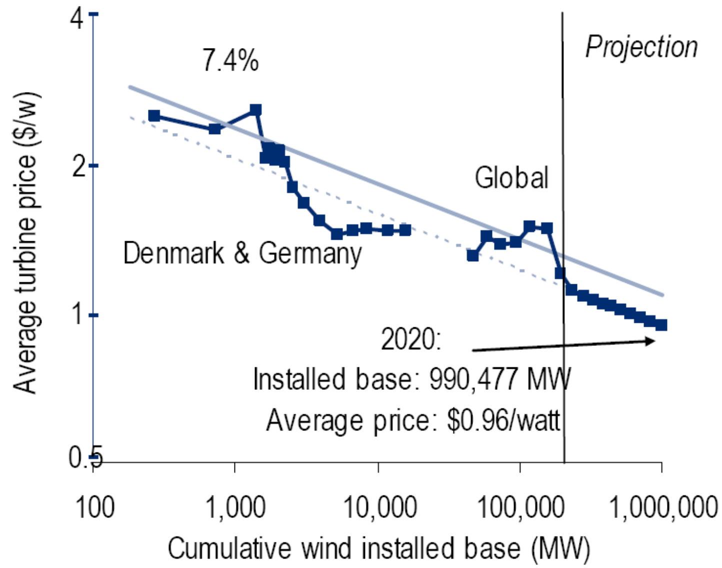


- **Reverse global growth of emissions before 2020, decline every year thereafter**
- **Reduce to below 1990 levels by 2030 (25% below 2010)**

Source: UNEP (2012)

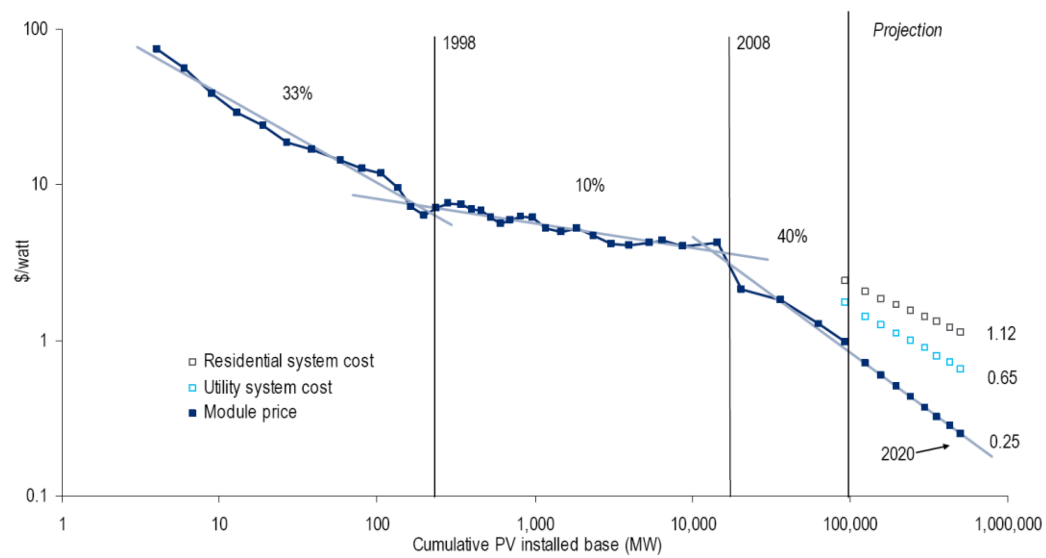
...with less expensive technologies....

Wind



Source: Bloomberg New Energy Finance, Citi Research

Solar



…in a rapidly changing world…

The development of income and emissions per capita of the EU-27, US and China until 2020

	GDP/capita **PPP** (constant 2005 international $)			**Emissions (incl. land use)/capita** **tons CO2/capita**			
	1990	2010	2011	1990	2010	2020 BAU	2020 pledges
EU-27	20.5	27.6	28	11.9	9.2	10	8.8 (20% reduction) 7.7 (30% reduction)
US	31.9	42.1	42.5	24.3	21.5	21	17.7
China	1.1	6.8	7.4	3.5	7.4 to 8.3	9.9	9.7

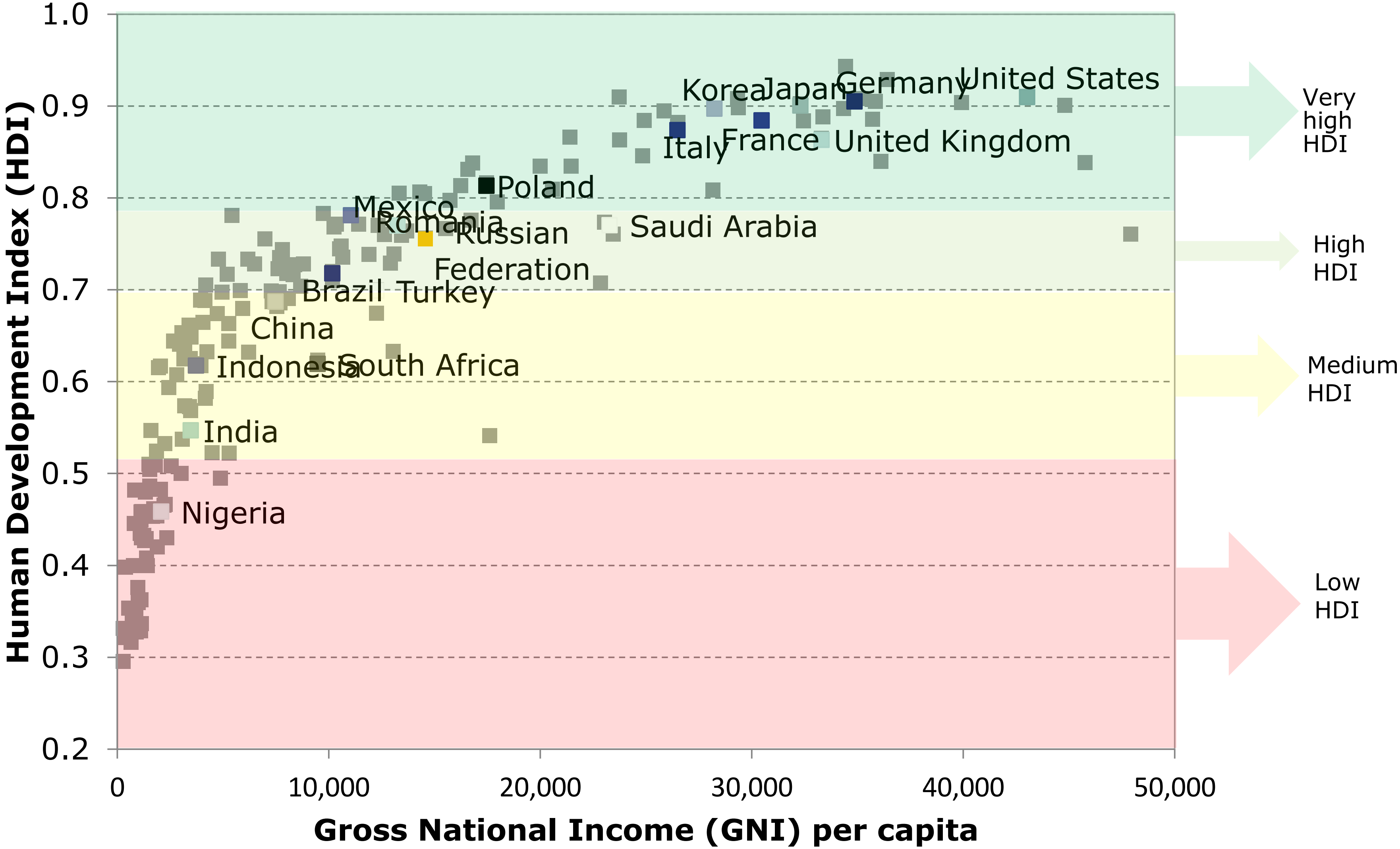
Sources:

GDP per capita: Worldbank Databank, World Development Indicators

Population: United Nations, Department of Economic and Social Affairs, Population Division (2011). World Population Prospects: The 2010 Revision.

Emissions/capita with 2020 projections: PBL Netherlands Environmental Assessment Agency; UNEP Gap report 2012 Annex I; European Commission, Joint Research Centre (JRC)/PBL Netherlands Environmental Assessment Agency. Emission Database for Global Atmospheric Research (EDGAR), release version 4.2 http://edgar.jrc.ec.europe.eu, 2011

...where North-South distinctions are less pronounced...



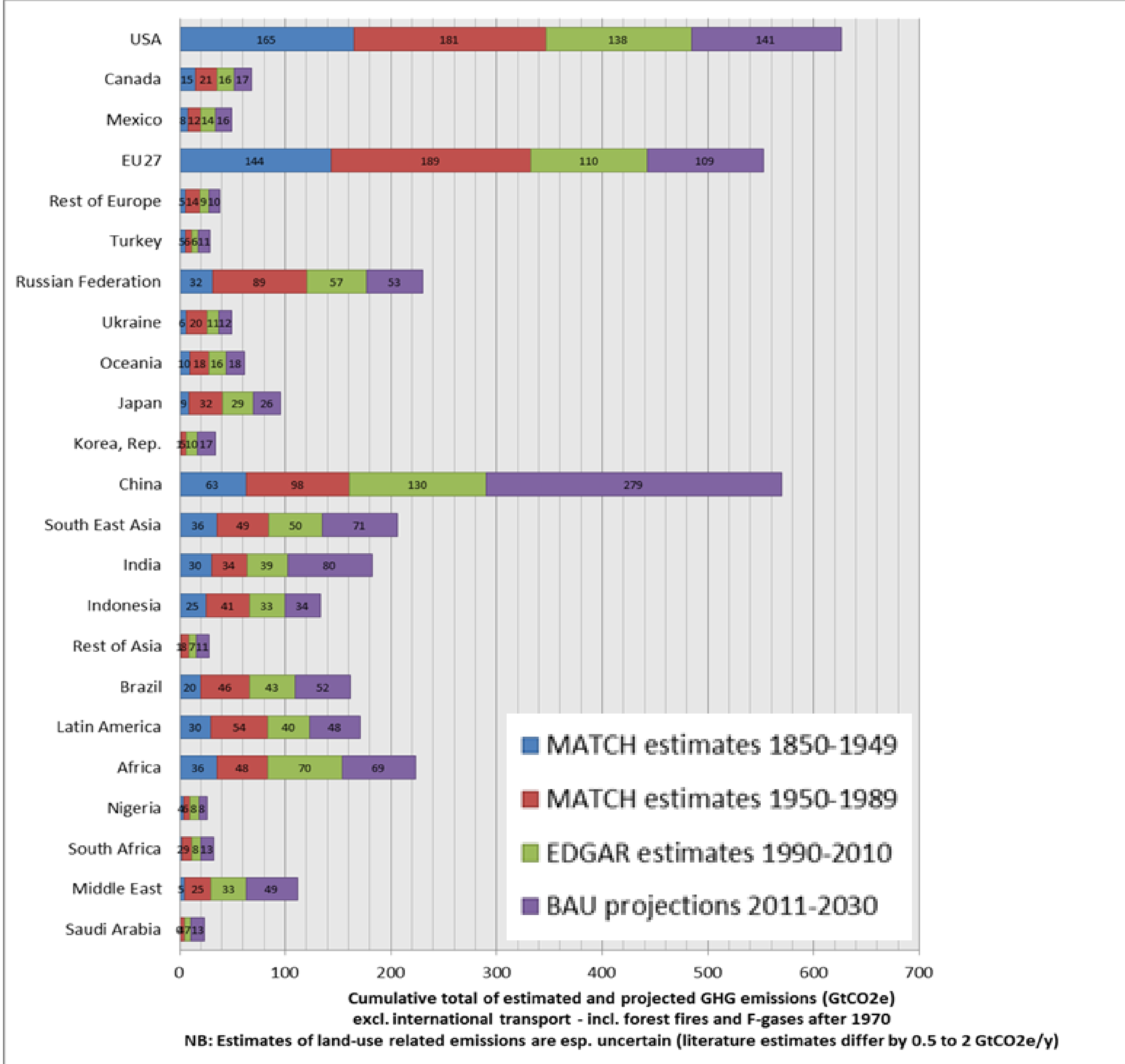
Per Capita GDP

32 NAI countries with 2009-11 GDP higher than Romania

7 NAI countries with 2009-11 GDP higher than average EU-27

	Country Name	2009	2010	2011
	European Union	27204	27696	28035
1	Qatar	65894	69798	77987
2	Singapore	46271	52170	53591
3	Kuwait	45626	45623	47935
4	Brunei Darussalam	45156	45507	45707
5	United Arab Emirates	45202	42353	42293
6	Equatorial Guinea	31519	30493	31969
7	Bahamas, The	28460	28135	28239
8	Korea, Rep.	25299	26774	27541
9	Israel	25250	25995	26720
10	Oman	24226	24559	25330
11	Seychelles	20383	21945	23172
12	Trinidad and Tobago	23261	23172	22142
13	Saudi Arabia	20091	20534	21430
14	Bahrain	22037	21345	21345
15	Barbados	17564	17564	17564
16	Antigua and Barbuda	19059	17372	16330
17	Argentina	13272	14363	15501
18	Libya	15361	15361	15361
19	Chile	13813	14520	15251
20	St. Kitts and Nevis	15643	15077	15212
21	Malaysia	12998	13706	14174
22	Gabon	13009	13611	13998
23	Panama	11932	12639	13766
24	Uruguay	11650	12642	13315
25	Botswana	11795	12463	13021
26	Lebanon	11879	12619	12900
27	Mexico	11973	12481	12814
28	Mauritius	11850	12283	12733
29	Palau	11597	11560	12149
30	Dominica	11613	11754	11734
31	Kazakhstan	10318	10916	11568
32	Venezuela, RB	11315	10973	11258
33	Romania	10797	10921	10905

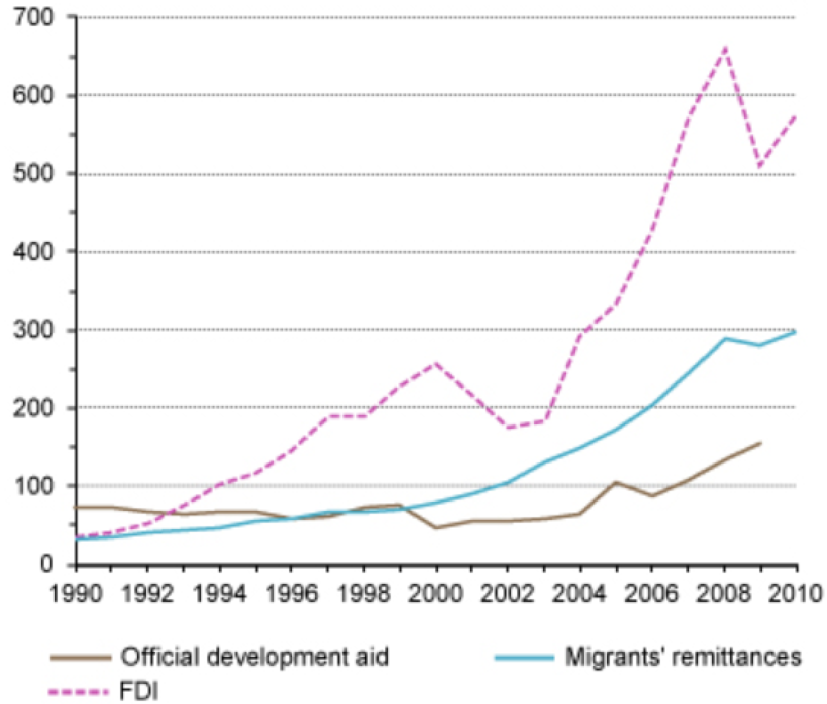
Historical Emissions



...and which is increasingly interconnected...

Migrant remittances and financial flows to developing economies, 1990-2010

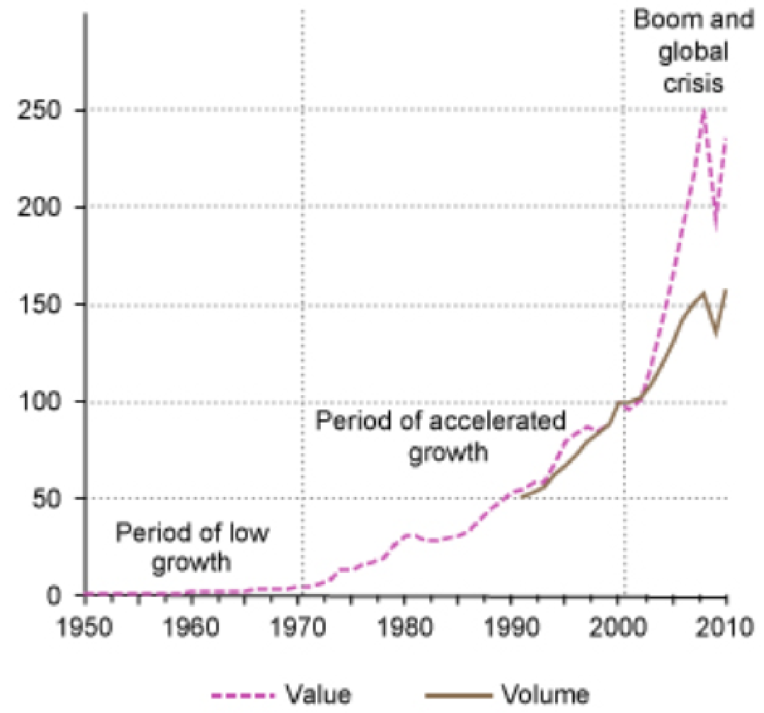
($ billions)



Source: UNCTAD secretariat calculations, based on UNCTADstat

Long-term trends in value and volume of merchandise exports, 1950-2010

(Index numbers, 2000=100)



Source: UNCTAD secretariat calculations, based on *UNCTADstat* and CPB Netherlands Bureau of Economic Policy Analysis, *World trade database*

...but where significant sustainable development challenges remain

Table 18.1 ▷ People without access to modern energy services by region, 2010 (million)

	Without access to electricity		Traditional use of biomass for cooking*	
	Population	Share of population	Population	Share of population
Developing countries	1 265	24%	2 588	49%
Africa	590	57%	698	68%
DR of Congo	58	85%	63	93%
Ethiopia	65	77%	82	96%
Kenya	33	82%	33	80%
Nigeria	79	50%	117	74%
Tanzania	38	85%	42	94%
Uganda	29	92%	31	96%
Other sub-Saharan Africa	286	66%	328	75%
North Africa	1	1%	2	1%
Developing Asia	628	18%	1 814	51%
Bangladesh	88	54%	149	91%
China	4	0%	387	29%
India	293	25%	772	66%
Indonesia	63	27%	128	55%
Pakistan	56	33%	111	64%
Philippines	16	17%	47	50%
Vietnam	2	2%	49	56%
Rest of developing Asia	106	34%	171	54%
Latin America	29	6%	65	14%
Middle East	18	9%	10	5%
World**	1 267	19%	2 588	38%

* IEA and World Health Organization databases. ** Includes OECD countries and Eastern Europe/Eurasia.

Source:
IEA WEO 2012

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EU and Asia as key partners: trade relations

EU & China

- *Dramatic growth in EU-China trade: China is EU's 2nd biggest source of imports*
- *China of the EU's fastest growing export markets (doubling since 2008), but remains focused on goods (EU still exports more to Switzerland than to China!).*
- *EU is China's biggest source of imports.*
- *EU and China trade well over EUR 1bn per DAY, and are the 2nd largest economic cooperation in the world*
- *Every year, 20m Chinese households pass the income threshold of EUR 10K, at which they are able to afford key consumer goods and services*
- *China FDI in Europe is 2.2% of total, EU FDI in China is 20% of total*

EU & Vietnam

- *In June 2012 the EU and Vietnam launched negotiations on a comprehensive free trade agreement*
- *In 2012 EU-Vietnam trade was worth over EUR 23.8bn, with EUR 18.5bn imports from Vietnam and EUR 5.3bn exports to vietnam*
- *EU is the 4th largest foreign investor in Vietnam, committing EUR 770bn in 2012*

EU & ASEAN

- *ASEAN as a whole is the EU's 3rd largest trading partner (after US and China), with more than EUR 206bn trade in goods and services in 2011*
- *EU is ASEAN's 2nd largest trading partner, after China*
- *EU is by far the largest investor in ASEAN*

A history of close cooperation on climate change

EU-China climate cooperation

- *EU-China climate dialogue since 2005 (Bilateral Consultation Mechanism), including discussions on concrete cooperation projects (Rolling Work Plan)*
- *Projects include:*
  - **Near Zero Emissions Coal**
  - **Urbanisation partnership (incl. energy efficiency)**
  - **EU-China clean energy centre**
  - **EU-China Provincial climate change programme (until 2011)**
  - **European Investment Bank framework loans (EUR 500m in 2007 and 2010)**
  - **Cooperation on Emissions Trading Pilots (EUR 5m)**
- *EU supported projects that include China, e.g.:*
  - **World Bank Partnership for Market Readiness**
- *EU-China summit on 21-22 November to agree practical areas of cooperation in support of "EU-China Cooperation Package"*

EU-ASEAN climate cooperation

- *Global Climate Change Alliance:*
  - **LDC countries in ASEAN supported through GCCA (Cambodia EUR 2.2m, Laos EUR 5m, Mekong river countries EUR 5m, Myanmar EUR 4m)**
  - **REDD activities (peat lands EUR 1.8m, Cambodia EUR 1.8m, Community carbon pools in Indonesia, Cambodia, Philippines and Vietnam EUR 2.3m)**
- *Asia investment facility:*
  - **Launched in 2011 with grant budget 2011-2013 of EUR 30m**
  - **Blending mechanism, with priority focus on climate change and "green investments"**
  - **Projects: carbon-linked incentive scheme for SMEs in Indonesia (EUR 7.8m grant of total EUR 27.8)**
- *SWITCH Asia (promote sustainable production and consumption):*
  - **EUR 150m for 19 Asian countries, including projects and policy support**
- *FLEGT Asia:*
  - **Promoting and facilitating trade in legal and sustainable timber**
  - **EUR 11m (2008-2017)**
  - **ASEAN countries also benefit from EU-FAO FLEGT programme and EU REDD facility**

EU-ASEAN climate cooperation: next steps

- *Bandar Seri Begawan Plan of Action to strengthen the ASEAN-EU enhanced partnership (2013-2017) signed April 2012.*
- *3 areas of for future cooperation identified during the JCC in January 2013 (2014-2020 EU development cooperation funding):*
  - **Sustainable and inclusive economic integration and trade;**
  - **Climate change and disaster management;**
  - **Comprehensive dialogue facility.**
- *Substantial amount of funds is being secured by the Commission*
- *New EU-ASEAN climate dialogue started in August 2013, next meeting early 2014*

Conclusion:
EU and Asia cooperation towards an ambitious 2015 agreement

EU-Asia cooperation towards an ambitious 2015 agreement

- *EU and Asia to play a key role:*
  - **Responsible for almost half of global emissions (EU+dev. Asia)**
  - **Increasingly linked economies**
  - **Reduction opportunities & co-benefits**
  - **Providers of clean technology**
  - **Vulnerabilities to adverse impacts**

➡ **Natural partners!**

- *Challenges:*
  - **Economic, political realities and international responsibilities**
  - **Confidence in opportunities and benefits green growth**
  - **Climate policy ≠ trade policy**
  - **Internationalise domestic commitments?**

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Thank you.

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