

## Soapbox



# “Science says we need a 100% cut in carbon. Here’s how to achieve it.”

**Oliver Tickell** calls for a global permits auction to control greenhouse gas emissions ‘close to the source’.

**I**n Hokkaido earlier this year, the G8 summit agreed that the world should halve its greenhouse gas emissions by 2050. This looks like a serious target, but it has some serious problems.

First, it won’t be enough to achieve the UN Climate Convention’s objective, to stabilise greenhouse gas concentrations “at a level that would prevent dangerous anthropogenic interference with the climate system”. To do that, the science indicates that by 2050 the world needs to be carbon neutral – not a 50% emissions reduction, but 100%.

Second, there’s no delivery mechanism – other than the Kyoto Protocol. And the Kyoto agreement has already proved ineffective. Its ‘flexibility mechanisms’, such as the Clean Development Mechanism, may have made carbon emissions a dynamic new commodity trading sector – but actual emissions have rocketed since it came into force. In any case the Protocol’s underlying principle, that you can offset rising emissions in one place by reducing them somewhere else, is inadequate. We need to be cutting emissions across the board.

Another problem is Kyoto’s country-based approach, assigning national allocations to emit greenhouse gases. This not only means that negotiations on a post-2012 follow-up agreement get bogged down in squabbles over who gets how much; it is also illogical in the context of today’s global economy. If a product is made in China, by a company based in Singapore, using Australian coal, for a company in the UK, and exported to end users in the US, then which country should ‘own’ the emissions? Under the Protocol we have a clear but unfair, even irrational answer: China.

The bottom line is this: to achieve serious emissions cuts by 2050, we need a very different, far more effective global climate agreement.

Here’s how it might work. Instead of allocating pollution rights by country, permits to produce greenhouse gases anywhere in the world would be sold in a single global auction. There would be a cap on the total number of permits, and the cap would contract year by year. Greenhouse gas emissions would be controlled ‘upstream’, at (or close to) source. For emissions from fossil fuels, the fuels themselves would be controlled, for example at the oil refinery or coal washing station. Other

industrial greenhouse gases such as HFC refrigerants, or CO<sub>2</sub> from calcinating lime to make cement, would be controlled at the factory.

The permit auction would raise about US\$1 trillion per year. This would be used to finance huge expansion of renewable energy, energy efficiency, the conservation of forests and other ecosystems, and climate-friendly farming. There would also be \$100 billion per year to help poor countries to adapt to climate change, plus funds to address the health implications of a warmer world and the extra costs of emergency relief. These measures would be backed up by an international regulatory system similar to the Montreal Protocol (which controls ozone-depleting substances), applying standards for energy efficiency and eliminating powerful industrial greenhouse gases, backed by a multilateral fund to help poor countries do this too.

In this way, Kyoto2 would be a three-pronged fork:

- carbon pricing under a contracting cap;
- substantial funding to address the causes and the consequences of climate change; and
- a regulatory system to penetrate beyond the reach of carbon markets.

It would be effective (delivering the UN Climate Convention’s stated objective), efficient (doing so at minimum cost) and equitable (among rich and poor, between countries and across generations). And economic pain would be avoided – because, as the cap contracts, improved energy efficiency and the large-scale deployment of renewable technologies will leave the world less dependent on fossil fuels.

Will the G8 do any better at next year’s meeting in La Maddalena, Sardinia, than it did this year in Japan? One thing to give us hope is the knowledge that the new US President – whether McCain or Obama – is already on record as keen to act to solve the world climate crisis. But at their 2009 gathering world leaders must understand that they can’t deliver the goods without a new and radically re-engineered climate agreement. And that this time there is no room for failure. ©

*‘Kyoto2: How to Manage the Global Greenhouse’, by Oliver Tickell, is published by Zed Books.*

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**This would raise \$1 trillion a year for green energy, forest protection and climate-friendly farming**

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