

## PRESS RELEASE

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### **UK AND EU SET TO MISS GLOBAL CLIMATE GOALS Says panel of experts brought together by pan-European think tank**

Both the UK and the EU are set to miss their own global climate goals if they continue to follow current policy, says a new report by leading London-based, pan-European think tank, the Stockholm Network, ahead of UN Climate Change talks in Bonn.

The UK, the EU and the UN all have a declared goal of avoiding more than 2°C of warming – or no more than 3 degrees under the latest proposed revisions. Yet according to the findings of a Stockholm Network report, *Carbon Scenarios: Blue Sky Thinking for a Green Future*, the current approach of regulating emissions will almost certainly miss even the easier 3°C target unless there is a radical change in policy in favour of a global, market-oriented mechanism for dealing with carbon emissions.

According to the report, which outlines a set of three climate change policy scenarios developed by a panel of experts from across the ideological and professional spectrum, even a successful elaboration of current policy will breach the 3°C threshold.

Based on the report's key findings, the Stockholm Network draws the following conclusions for policymakers:

- While the UK and the EU will probably just manage to meet their goal of reducing emissions by 20% by 2020, the bulk of future emissions will come from the developing world. However without the assistance of the developed world, they will not realistically be able to curb their emissions. We need to create a framework that is transparent and credible in order to bring this about.
- Discussions at the UNFCCC meeting in Bonn are therefore crucial and need to move beyond the flaws inherent in the Clean Development Mechanism and Joint Implementation. UK representatives in Bonn must work to get a substantial outcome from side-meetings on technology and adaptation assistance to the developing world. It is only with this assistance that developing countries are likely to do what is needed to meet the UK's global goals.
- The Stockholm Network, however, argues that only a new approach in policy will deliver even the 3°C goal. So what is needed?

- A simple policy of a global cap on the production of carbon (in other words an upstream cap). This will lead to a reduction in the amount of carbon produced and will make clean technologies more commercially attractive;
- This upstream cap, as found in the Stockholm Network's *Step Change* scenario, delivers transparency about carbon pricing to business and more importantly, provides substantial revenue to incentivise developing countries to come on board;
- As it allows markets to allocate carbon globally through the price mechanism, this system would be both much cheaper to administer than existing proposals (individual national emissions caps), and will lead to a much more efficient allocation of carbon. It is therefore likely to lead to higher economic growth than the current approach of national emissions trading would achieve.

“When the panel of experts set out to develop a set of scenarios about climate change, the general public thought there was a trade-off between economic growth and carbon reduction. In fact, the scenario that delivers the most carbon reduction, also, delivers long-term economic growth by replacing a pick ‘n’ mix of complicated, confusing and opaque policies with a clear, long-term carbon price”, concludes report author Paul Domjan.

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For media enquiries on the above, please call Cara Walker, Head of Media and Communications on: 00 44 20 7354 8888 or 0789 424 8386 or e-mail at: [cara@stockholm-network.org](mailto:cara@stockholm-network.org).

For further information on the Stockholm Network, please visit: [www.stockholm-network.org](http://www.stockholm-network.org).

For the full report and executive summary of the 3 scenarios:  
<http://www.stockholm-network.org/Conferences-and-Programmes/Energy-and-Environment/carbonscenarios>

For another detailed proposal of how an upstream cap could work, to compare and contrast with the upstream cap in *Step Change*, see: [www.kyoto2.org](http://www.kyoto2.org).

### **Notes to Editors:**

1. The Stockholm Network is the leading pan-European think tank and market-oriented network. It conducts research in the fields of health and welfare, energy and environment, intellectual property and competition. It also offers a unique network of 130+ market-oriented think tanks across Europe providing access to the best European policy thinking.

2. Using emissions modelling done by the Stockholm Network on the basis of IEA Reference and Alternative Policy Scenario emissions models, the Hadley Centre used a simple climate model to project likely temperature rises to 2100 for all three scenarios. It is important to note that the emissions modelling was done by the Stockholm Network. The Met Office Hadley Centre's role was to convert the emissions into climate scenarios. The Met Office does not prefer any particular scenario or advocate any particular set of future emissions.