



Verein zur Förderung des Club of Rome –
Austrian Chapter

HOW TO AVOID A CLIMATE EMERGENCY

AS A POSSIBLE NEXT STEP IN AUSTRIA'S
“INITIATIVE FOR MORE CLIMATE AMBITION”

BASED ON THE RESULTS OF
THE CLUB-OF-ROME'S CLIMATE EMERGENCY PLAN AND THE
SERI/GWS meetPASS PROJECT FOR THE AUSTRIAN CLIMATE FUND

The Intergovernmental Panel on Climate Change (IPCC), the climate science body of the United Nations, published a report in autumn 2018, ahead of the climate change conference in Katowice.ⁱ It indicates that in order to limit global warming to 1.5° C above pre-industrial levels, humanity may only emit an additional 600-700 Gigatonnes (Gt) of CO₂ – and even then, the probability of achieving this target is only 50%. Even for this 1.5° C increase, scientists expect considerable negative consequences, which increase sharply as the temperature rises.

The Austria-led **Initiative for More Climate Ambition**, signed by 19 heads of state and governments, urges all parties “to formulate and communicate, by 2020 at the latest, mid-century, long-term low greenhouse gas emission development strategies, mindful of the long-term goals of the Paris Agreement and the SDGs.”ⁱⁱ

Currently, the global community emits approx 34Gt per year, or almost 4.5 tonnes per capita. On current trends this could rise to 45Gt per year. This means that the limit of 600-700Gt would be reached within 15-20 years. Without additional measures, total emissions would increase to around twice the reasonably safe limit of 600-700Gt, or to about 1,300Gt, by 2050.

CLIMATE AMBITION IS GOOD FOR THE ECONOMY

This is the main conclusion of a new study by **SERI and GWS** for the Austrian Climate and Energy Fund.ⁱⁱⁱ While global economic output will almost double in this period (+85%), emissions will rise by a third. Thus, while there will be some “relative decoupling” of greenhouse gas emissions and economic growth, it will be far from sufficient to actually reduce emissions.

In order to reach the 600-700Gt target, emissions per capita would have to decrease to about 1.0 tonne per capita by 2050. That is a reduction to about one fifth of current levels. In the EU, which emits some 8.0 tonnes per capita, the required reduction is even greater.

The good news, according to SERI and GWS, is that such a reduction is possible – and without economic collapse. **The economy would grow faster** (globally by 100% instead of “only” 85%). And **in Europe, the effects would be even stronger**: 45% growth, as opposed to 31% without a stronger climate policy. This corresponds to an increase in projected growth of almost 50%.

GET THE PRICES RIGHT

In addition to a number of other measures, this would above all **require an increase in CO2 prices to \$225-265 per tonne**. Under the European Union's Emissions Trading Scheme (EU ETS), today's price amounts to just \$11, or just one twentieth of the price required to meet the 600-700Gt target. Moreover, the price would have to be set globally: such a system does not (yet) exist. The later we decide to follow such a path, the faster prices would have to rise to reach the overall target. This could be economically disastrous.

The scenarios also require investments in the so-called "**circular economy**": such as promotion of a sharing economy, greater emphasis on repair and remanufacturing, higher rates of recycling and more efficient (zero-waste) production methods. Overall, SERI and GWS assume an increase of resource efficiency in 50 key technology areas of 1% per year and estimate a payback period of five years.

Such proposals are included in the recent report to the **Club of Rome**, titled "Come On!"^{iv}, and its **Climate emergency plan**,^v which calls for increased prices and/or taxation to reflect the true costs of fossil fuel and resource consumption.

We see **two possibilities** to achieve the necessary price increase. One is the **implementation of a carbon tax** while reducing other taxes and/or subsidizing the necessary transition to a zero-carbon economy after 2050. The other possibility would be **a global emissions trading system**, which was already put forward 30 years ago by Anil **Agarwal** and Sunita **Narain**.^{vi}

How can such measures be implemented worldwide? One idea would be an organization based on the global financial architecture, which (once democratically legitimized) is committed solely to achieving these goals.

In most countries today, an independent central bank monitors the money supply and compliance with inflation targets. In a similar manner, national institutions equipped with appropriate instruments could ensure that the per capita emissions of a country (and thus ultimately also worldwide) fall to 1.0 tonne per capita by 2050 within a given, predetermined timeframe. Since many developing countries currently emit below the 1.0 tonne per capita target, countries whose emissions lie above the target could purchase certificates from these countries, creating a new revenue stream that could support further (low-carbon) economic development.

HOW TO PROCEED

In order to join available forces, we would like to discuss with the Austrian President Alexander van der Bellen how the Club of Rome can support his initiative for more climate ambition in 2019.

Contact for further questions:

Dr. Friedrich Hinterberger, Vice-President and Secretary General of the Austrian Chapter of the Club of Rome



SERI – Sustainable Europe Research Institute
Nachhaltigkeitsforschungs und -kommunikations GmbH

Schwarzspanierstr. 4/4
1090 Wien

+43 (0)699 969 0728-15
fritz.hinterberger@seri.at

ⁱ https://report.ipcc.ch/sr15/pdf/sr15_spm_final.pdf

ⁱⁱ https://bundespraesident.at/fileadmin/user_upload/Initiative_for_more_Climate_Ambition_Update_02122018.pdf

ⁱⁱⁱ <http://www.meetpass.at/>

^{iv} <https://www.clubofrome.org/report/come-on/>

^v <https://www.clubofrome.org/2018/12/03/the-club-of-rome-launches-the-first-climate-emergency-plan/>

^{vi} <http://www.indiaenvironmentportal.org.in/files/GlobalWarming%20Book.pdf>