

Carbon Budgets Theory and Practice

Alyssa Gilbert
Ecofys UK

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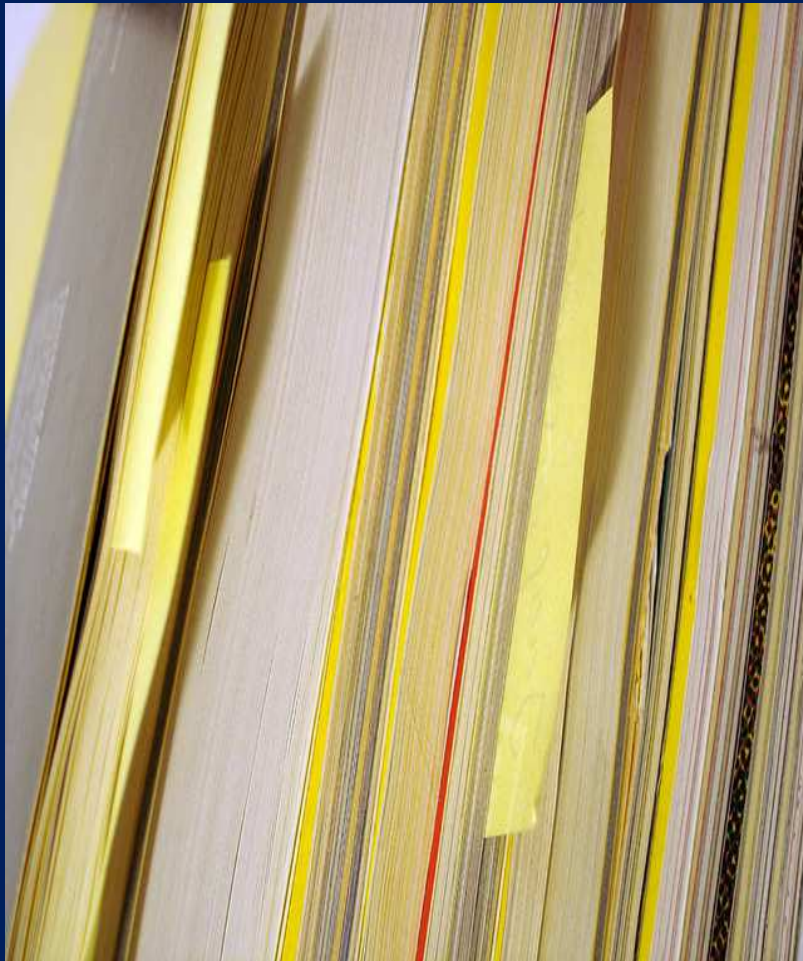
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What is a carbon budget?

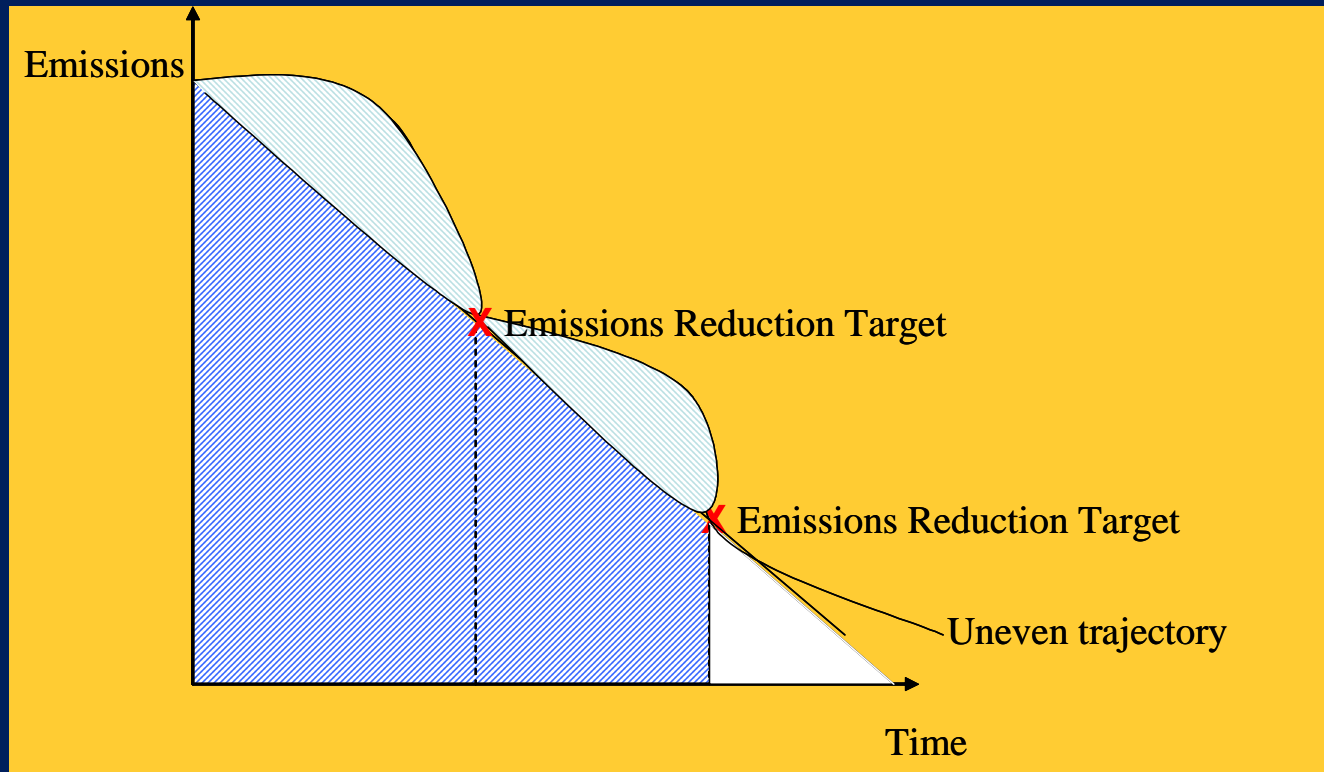
A **carbon budget** is a set amount of carbon that can be emitted in a given amount of time, either by the whole economy, or a pre-selected sub-population or set of activities.

Why set a carbon budget?



1. High-level government engagement → **profile**;
2. Long-term planning of reductions → **certainty**;
3. Structure for monitoring and review;
4. Flexibility.

Carbon budget or Target?



Designing a carbon budget

- Responsibility
- Setting budget
- Scope
- Reporting
- Commitment periods
- Monitoring and Review process
- Penalties
- Trading
- Flexibility/Borrowing

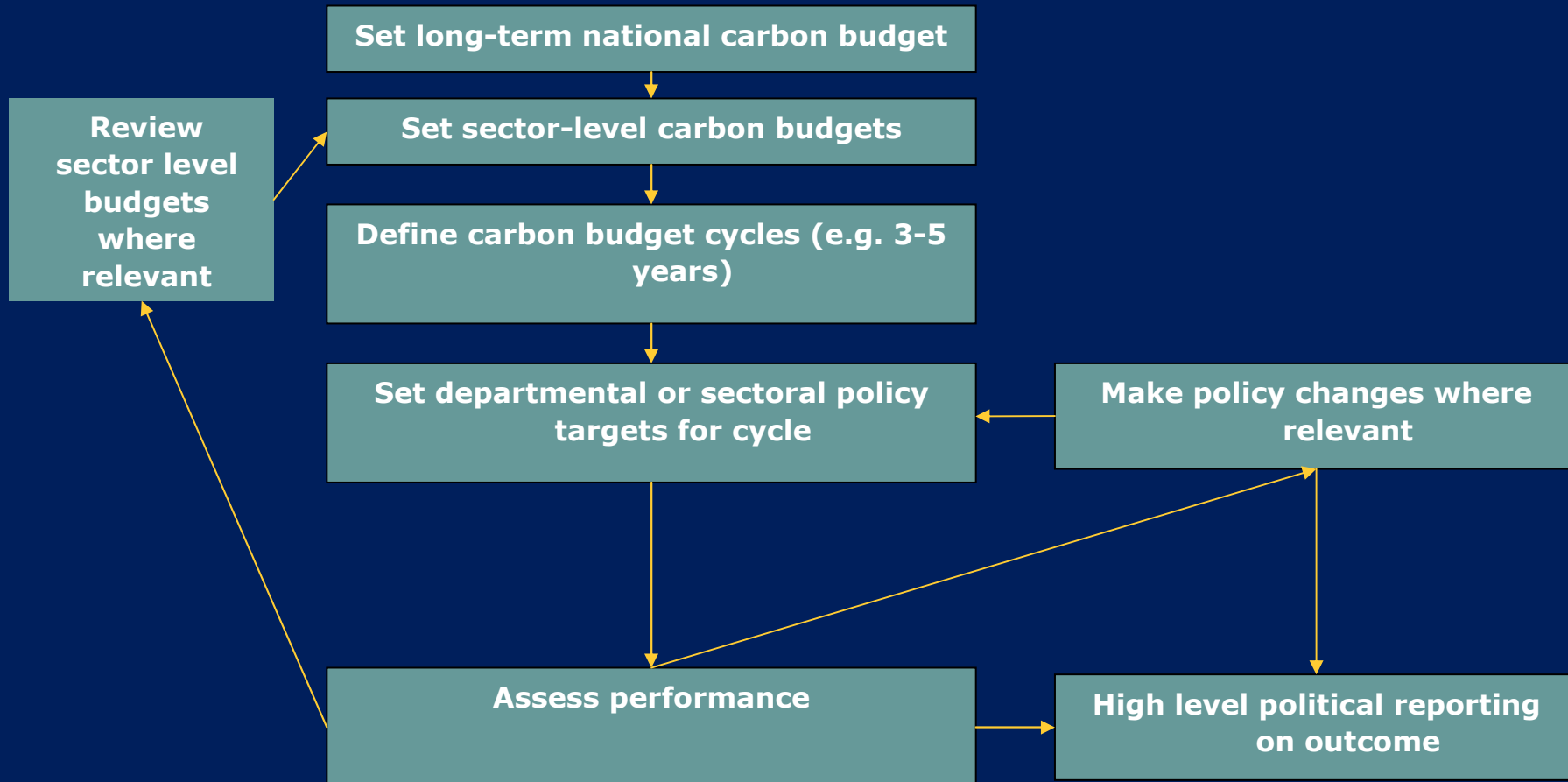


Factors to consider



- Independence
- Priority setting
- Level of disaggregation
- Using existing mechanisms
- Challenges
- Space for change in the future

Possible process for a carbon budget



Carbon budgets in practice: the UK

- UK Climate Change Bill: law on 26 November 2008
- Established *independent* Climate change committee (CCC)
- CCC to establish carbon budgets (first three in Dec 08)
- Spring 2009 government to announce budgets, and related policies

And in the future.....

Will others follow the UK lead?



Contact:

Alyssa Gilbert

Ecofys UK
1 Alie Street
London E1 8DE



Phone: +44 (0)207 423 0076

Email: a.gilbert@ecofys.com