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# Press

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## **G8 countries too slow in race against climate change**

**Four days ahead of the G8 summit in Japan a new research examines the climate performance of G8 nations and five emerging economies, and reveals the G8 countries are lagging behind in the race against climate change.**

**The *G8 Climate Scorecards 2008*, a report by Ecofys, an independent consultancy, was commissioned jointly by environmental organization WWF and international financial services provider Allianz. It ranks the G8 countries according to nine quantitative indicators, such as comparing past emission trends since 1990 and progress against the country's Kyoto target. It also scores performance on three specific policy areas, energy efficiency, renewable energy, and development of carbon markets.**

"The scorecards show that none of the leading industrialized countries is set to meet required emission reductions to stay within a 2 degree warming," said Regine Günther, Director of the WWF Climate Change Programme in Germany. "We have 10 to 15 years left in which the global emissions have to peak and decline. Time is running out."

Dr. Joachim Faber, holding board member of Allianz SE, said: "The G8 countries have a responsibility to be high achievers in the race against climate change. They need to be role models trailblazing the way to steer the world towards a low carbon, clean energy economy."

Allianz SE supports the research to gain a better understanding of the changing investment and regulatory landscape as well as of the opportunities for new insurance and fund product developments in its different markets.

"Climate protection can create huge opportunities for clean technologies where Allianz SE sees an enormous potential for investment, growth and jobs. Particularly important for developing this potential is the promotion of a global carbon market," said Dr. Faber.

Leaders at the upcoming G8 Summit in Japan next week should commit to a binding long-term target for emission reductions of 80% by 2050, and as close to 40% as possible by 2020, the report states.

"The world is at a cross-roads where decisive action now could translate into economic success," said Regine Guenther. "We expect the Japanese Presidency of the Hokkaido Summit to commit the G8 countries to significant and binding emission reduction targets. The G8 should pledge financial and technology support for low carbon development and for adaptation measures in developing countries that are measurable, reportable and verifiable."

### **Summary of the country conclusions:**

According to the *G8 Climate Scorecards 2008*, the UK leads the race slightly ahead of France and Germany but all three countries are at best half as far along the road as they should be.

The **UK** is projected to reach its Kyoto target, and introduces innovative policies like the Climate Change Bill. While it is putting a strong emphasis on its carbon markets approach, it does too little to accelerate its use of renewable energy and foster energy efficiency. Furthermore the share of coal is currently rising in the UK energy mix, which drives emissions up.

**France** is ranked second based on its present objectives, performance, and international positions but it is weak on reaching its objectives in the near future. France therefore risks losing its relatively high ranking in next year's scorecards.

**Germany** performs best on renewable energy, having a regulatory framework which is an international benchmark. Germany also approved new legislative packages on energy efficiency and climate policies. But so far it has failed to take a clear stance against coal power. There is an increasing and negative trend from electric utilities to plan the majority of new power plants based on coal and lignite, the report says.

**Italy**, ranked 4<sup>th</sup>, has started some efforts to address climate change and benefits from having agreed to relevant EU policies. But very few specifically national measures have been implemented and emissions are well above its Kyoto target. It rates relatively well on energy efficiency.

**Japan**, ranked 5<sup>th</sup>, is increasing its emissions and is far off meeting its Kyoto target. The government has yet to announce any mid-term emissions reduction targets. Its second rank in the carbon market stems from its extensive use of offset projects in developing countries under the UN's Clean Development Mechanism but the country lacks national mandatory measures such as emissions trading.

Lagging behind is **Russia**, which lost its early advantage of lower emissions. During the last eight years emissions increased again. Russia has only planned few national policies, with none yet implemented. The realization of a recent announcement by the government to increase energy efficiency dramatically may well influence the ranking in next year's scorecards.

At the bottom of the ranking are **Canada** and the **US** with ranks 7 and 8 respectively. This is no surprise given rising emissions and energy-intensive economies, and their failure to realize the full potential of energy efficiency improvements. But there is hope: US legislation to cap emissions is imminent and businesses are preparing for a new commodity market,

with potential for continental spill over. While both federal administrations have not been supportive of climate friendly solutions, sub-national initiatives might help raise the bar in time for the next edition of the scorecards.

The scorecards also analyze the climate and energy policies of the five emerging economies **Brazil, China, India, Mexico, and South Africa**. These countries cannot be measured with the same ruler as industrialized countries, and hence are not part of the ranking. The scorecards reveal great differences between them, in terms of development, energy mix, and resulting emissions. A key question is how industrialized countries will assist these five countries to bring about the move to a low carbon development.

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**Download the G8 Climate Scorecards 2008 from <http://www.panda.org/climate> and from [www.allianz.com/](http://www.allianz.com/)**

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Allianz SE is the leader of the insurance sector in the Dow Jones Sustainability Index World 2007/2008, listed in FTSE4GOOD and in the Climate Disclosure Leadership Index (Carbon Disclosure Project, CDP5).

*"Allianz maintains its leading position within the insurance sector on a global basis."  
(Dow Jones Sustainability Indexes, September 2007)*

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