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Editorial

TOWARDS AN INTERNATIONAL CARBON PRICE PER TONNE



Stéphanie Scoupe,
*Chair of the
Postal Carbon Fund*

The 21st session of the Conference of the Parties, known as COP21, will be held in December in Paris, and the agenda is necessarily an ambitious one: many steps still need to be taken to bring about the type of energy and climate transition that will meet the planet's needs.

The most vital need for us all: limiting global temperature increases to below 2°C.

Human activity has already had a serious impact on the climate. It has been shown that, today, **nine out of every 10 natural disasters are related to climate change**, and the United Nations has predicted an upsurge in the number and intensity of such disasters in the next 20 years. In each of the past 30 years, there have been over **600 natural disasters and nearly 70,000 deaths**, not to mention an annual average cost of 95 billion USD in damage.* Today, one person every second is forced to move for climate-related reasons!**

What's more, in 2010, we set a sad record of nearly 950 natural disasters (three a day), 295,000 deaths, and 130 billion USD in damage!

Although coming to an agreement with so many stakeholders is challenging, it is now more urgent than ever that an agreement be reached. Businesses and sectors can and should get more involved.

Climate change also presents an opportunity to find new solutions, to innovate around synergies, and to link economic intelligence with climate solidarity.

In that context, a number of energy giants (Total, BP, Shell, ENI, Statoil) have joined forces to call for a carbon tax for all countries.

It was in that spirit that the Postal Carbon Fund was created, with the aim of achieving two key goals: climate solidarity and low-carbon development in the postal sector.

With the Postal Carbon Fund, we each play a part in taking these international negotiations and turning them into concrete action.

*Munich Re, insurance company

**<http://www.planetoscope.com/environnement>



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Postal Carbon Fund news

15 APRIL 2015: GENERAL ASSEMBLY IN BERNE



We conducted our first review of the actions taken since EcoAct was recruited, and the results are positive, with two training sessions having taken place. The

first session was held with the Posts of Togo, Senegal and Côte d'Ivoire (Rep.) (not a founding member), at which eight people received training.

The purpose of the sessions is to train experts and stakeholders on the main offsetting issues (relating to buildings, logistics, fleet management, etc.). The training helps them better understand the issues surrounding climate change and its effects, and enables them to more easily identify the steps involved in reducing emissions and the main principles of a carbon offsetting project. The experts are then able to identify projects within their own Post.

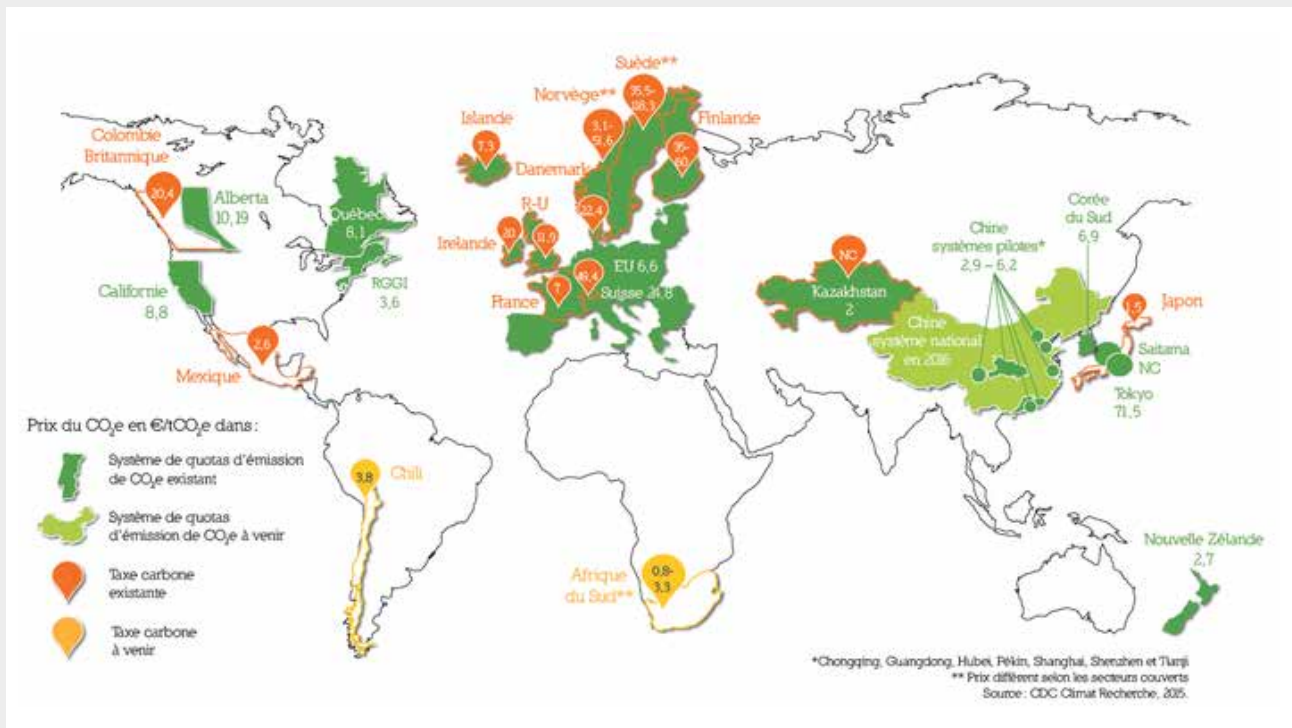
On 3 June 2015, the same training was delivered to experts from the Posts of Ecuador and Costa Rica.

BARNEY WHELAN, HEAD OF COMMUNICATION AND CORPORATE AFFAIRS- AN POST (IRELAND)



At An Post, we are committed to reducing our CO₂ emissions by 20% by 2020. To achieve this, we have implemented several actions, including driver training, energy monitoring and management systems, and intelligent lighting systems. At this stage, 94% of all waste goes to recycling.

To reinforce our commitment, we are involved in the Postal Carbon Fund. //





SIMPLICE MENEKOU
HEAD OF INTERNATIONAL DEPARTMENT
IVORY COAST

// We joined the Postal Carbon Fund, first, to help protect the environment and, second, to reduce our energy consumption costs.

The carbon training session ran very smoothly. The training improved our awareness and understanding of the importance of reducing carbon emissions to protect the environment.

Thanks to this training, we learned that we can:

- > **make** a positive contribution to protecting the environment;
- > **attract** foreign investment in clean technology or competitive business activities with lower greenhouse gas emissions;
- > **reduce** our dependence on oil.

Furthermore, using the carbon methods learned in the training, we are now able to identify projects that fit with our business. //

Rappel des chiffres clés du secteur postal



62 million
tonnes of CO2 (=0.2% of global emissions)



670,000
energy-consuming post offices



Over one million
vehicles travelling millions of kilometres each year



Over 100
aircraft travelling to different continents each day



Thousands of tonnes
of paper, cartridges and chemical products used each year

Next steps



Our calendar

- > July 2015:
identification of
the first projects

3 june 2015

Final training session for
Costa Rica and Ecuador

Climate change news

PUTTING THE RIGHT PRICE ON CARBON!

The price of carbon, whether linked to a tax or a market, fluctuates between 1 USD and 130 USD per tonne.

The World Bank estimates the value of carbon pricing at 48 billion USD: 34 billion from markets and 14 billion from taxes. To encourage businesses to systematically implement low-carbon solutions, measures must be taken to set an effective carbon price.

Take the example of the European Union Emissions Trading System (EU ETS), which saw the price of carbon allowances tumble because the initial number of allowances issued in 2005 was too high.

Today, most businesses have incorporated carbon management into their strategies. Over 150 businesses are affected by the price of carbon, which currently fluctuates between 6 USD and 89 USD. A number of business associations have expressed the need for stable and uniform pricing. At the Business and Climate Summit in Paris on 20 and 21 May 2015, the discussions addressed the notion of a carbon price per tonne of between 44 USD and 220 USD by 2030.

A stable carbon price per tonne of at least 33 USD to 44 USD is an essential condition if low- or zero-carbon solutions are to become a reality on a large scale. Without such an incentive, efforts to fight climate change will be in vain.



SETTING THE RIGHT CARBON PRICE PER TONNE

Carbon pricing can take different forms:

A carbon market: one example is the EU ETS, which set a price per tonne and then issued carbon allowances to countries. The purpose of the allowances is to encourage certain sectors to reduce their emissions. This creates a market because businesses that have succeeded in reducing their emissions are able to sell (supply) their unused allowances to other businesses whose emissions have increased (demand).

A carbon tax: a carbon tax is another incentive measure used to put a price on carbon. Using this method, carbon emissions are taxed to encourage investment in decarbonization solutions.

ETHIOPIA: A POLLUTION-FREE DEVELOPMENT PROJECT!



Emissions at current levels.

An ambitious but worthy challenge for a country with a population of 100 million and a 10% annual rate of growth!

Ethiopia is working towards transforming itself into an emerging country by 2025. However, it does not want its development to come at the expense of the climate, and would like to maintain its

Ethiopia has created wind farms and underground cable networks to provide it with the capacity to supply electricity to the entire Horn of Africa, and each ministry is aware of its CO₂ emissions reduction target.

Climate change is considered a strategic issue in Ethiopia. For that reason, the country is structuring its transition and development to ensure that it stays within the 2°C limit advocated by the Intergovernmental Panel on Climate Change (IPCC). If the project is successful, by 2030, the emissions level in Ethiopia, which will have a projected population of 125 million, should be on a par with that of the Netherlands (a country with a population of approximately 17 million)!

IPCC = Intergovernmental Panel on Climate Change

Climate change news

THE WORLD BANK'S THREE STEPS TO A ZERO-CARBON FUTURE

In a report released on 11 May 2015, the World Bank laid out three steps to start the transition to a zero-carbon world:

www.worldbank.org/en/news/press-release/2015/05/11/new-report-how-to-decarbonize-development-3-steps-to-zero-carbon

STEP ONE

Reduce emissions by planning for the long term. There are many solutions, and while they may be expensive, they could be even more costly down the road if no action is taken. Indeed, if nothing is done by 2030, costs could increase by 50% by 2050. So if no investment is made today, businesses will need to consider incorporating a sizable reserve into their balance sheets! The priorities set out in the report relate in particular to urban policies and decarbonized energy, two areas that have a significant impact on the postal sector.

STEP TWO

The World Bank is encouraging governments to promote decarbonized growth. Some of the measures in place have already had somewhat of an impact on the postal sector: for example, bans on certain types of high polluting vehicles in city centres, road space rationing (Mexico City and Brussels), and tolls for entering city centres (London). These policies also entail putting a price on carbon.

STEP THREE

Smooth the energy transition by finding ways to generate revenue to ensure a better distribution of wealth around the world. The report highlights in particular the possibility of removing fossil fuel subsidies.

Regardless of the measures taken, however, the report concludes that the road to a zero-carbon future is still a long one!

GABON: BLACK GOLD PRODUCER, GREEN GOLD PROTECTOR!

In Gabon, oil, also known as black gold, accounts for approximately 20% of the country's revenues. Gabon is also home to an extraordinary environmental asset: nearly 22 million hectares, or roughly 87% of the country, is forested, acting as a veritable breeding ground for around 10,000 different plant species.

With the recent drop in oil prices, the country must now look for new opportunities while continuing to preserve this vital «lung» of the planet. Some steps have been taken, such as the passing of legislation banning the export of certain species of wood.

The goal is to strengthen the transformation of raw materials in Gabon in order to develop resources. Gabon's national climate council works to maintain the delicate balance between the economy and the environment. However, the demand for palm oil production will necessarily result in a decrease in forest area, with the country forecasting a 3% decrease in forest cover.

Gabon also uses satellite imagery to ensure proper monitoring of its forests. However, although Gabon has put in place a robust measure, grey areas remain when it comes to applying the legislation. Some

forestry companies, in particular those from Asia, are difficult to regulate and there is no way to ensure that they are engaging in sustainable management practices. In addition, Gabon's national parks agency is having trouble paying its forest rangers as a result of the oil crisis across the country. Could the scales be tipping in this balance between the economy and the environment?



Key facts and figures

Some carbon pricing initiatives



China (People's Rep.)

Implementation of a carbon market in seven cities and provinces in 2013 and 2014, with roll-out of a national market in 2016.



Mexico

Passage of climate change legislation to **reduce emissions by 30% by 2020** under the same development conditions. The legislation first introduced a carbon tax in 2014, followed by a carbon market.



British Columbia, Canada

Implementation of a **revenue-neutral carbon tax (30 euros per tonne)**.



Korea (Rep.)

Creation of a carbon market covering **525 businesses in 23 industries**.

What's being said...

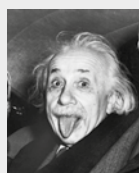


/// With regard to the success of COP21,
allow me to quote Léon Blum, who said:
« I believe it because I hope for it. » ///

Laurent Fabius



/// Unless we announce disasters,
no one will listen. /// Sir John Houghton,
first chairman of the IPCC



/// We shall require a substantially new
manner of thinking if mankind is to survive. ///

Albert Einstein

At your service

Any questions, ideas, or comments? Please send us an e-mail at: stephanie.scoupe@postalcarbonfund.com