



# LUND UNIVERSITY

## Walking away from a low-carbon economy?

Mundaca, Luis; Markandya, Anil; Norgaard, Jorgen

*Published in:*  
ISSF

2013

[Link to publication](#)

*Citation for published version (APA):*

Mundaca, L., Markandya, A., & Norgaard, J. (2013). Walking away from a low-carbon economy? In *ISSF International Journal for Sustainable Innovations*.

*Total number of authors:*

3

### General rights

Unless other specific re-use rights are stated the following general rights apply:

Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

- Users may download and print one copy of any publication from the public portal for the purpose of private study or research.
- You may not further distribute the material or use it for any profit-making activity or commercial gain
- You may freely distribute the URL identifying the publication in the public portal

Read more about Creative commons licenses: <https://creativecommons.org/licenses/>

### Take down policy

If you believe that this document breaches copyright please contact us providing details, and we will remove access to the work immediately and investigate your claim.

LUND UNIVERSITY

PO Box 117  
221 00 Lund  
+46 46-222 00 00

## Walking away from a low-carbon economy?

Luis Mundaca T.<sup>1\*</sup>, Anil Markandya<sup>2</sup> & Jørgen Nørgaard<sup>3</sup>

<sup>1</sup> International Institute for Industrial Environmental Economics at Lund University. P.O. Box 196,  
22100 Lund, Sweden.

<sup>2</sup> BC3 Basque Centre for Climate Change, IKERBASQUE, Basque Foundation for Science.  
Alda Urquijo 4 – 4, 48008 Bilbao, Spain.

<sup>3</sup> Department of Civil Engineering at the Technical University of Denmark. DK 2800 Lyngby, Denmark.  
\*Corresponding author. Tel.: +46-2220257, fax: +46 2220240, e-mail: luis.mundaca@iiiee.lu.se

### Abstract

Using the latest available data, this brief article attempts to provide the first regional decomposition analysis of CO<sub>2</sub> emissions from fuel combustion. Covering eight regions of the world, determinants are estimated in relative and absolute terms for the period 1971-2010. We take the 2010 global surge in CO<sub>2</sub> emissions as an entry point for the analysis. Overall, results show that most regions have recently performed worse than their historical trends and lack of meaningful progress is identified. Whereas specific drivers for certain regions suggest some level of continuous improvement (e.g. reduced energy intensity in Asia), they are incapable of offsetting the effects of economic growth and energy use. With the exception of Africa, most regions appear to have missed the low-carbon economy opportunity provided by the 2008-2009 global financial crisis. Results suggest a lack of serious environmental effectiveness of regional policy portfolios aiming at reducing CO<sub>2</sub> emissions. Highly ambitious energy efficiency and renewable energy policies across all regions are immediately needed. Additionally, absolute reductions in CO<sub>2</sub> emissions and energy use from fossil fuels are urgently required in rich regions if we are to align production and consumption patterns with maintaining global warming below the 2°C threshold.

Keywords: Climate and Energy Policy; Low-carbon economy; Decomposition Analysis

## 1. Introduction

There is considerable cross-sectional heterogeneity in economic growth, energy use, energy mix and resulting CO<sub>2</sub> emissions across the regions of the world. However, a literature review indicates that there is a lack of up-to-date knowledge about historical *regional* discrepancies (in absolute and relative terms) regarding drivers of CO<sub>2</sub> emissions. From a global perspective, major climate and/or energy assessments have mostly undertake worldwide decomposition analyses to identify and analyse inclusive drivers of CO<sub>2</sub> emissions (see e.g. Johansson, Patwardhan, Nakicenovic, & Gomez-Echeverri, 2012; Metz, Davidson, Bosch, Dave, & Meyer, 2007). Although aggregate indicators of this nature are insightful in describing the energy-economy system globally, regional disparities (e.g. income levels, energy supply mix, consumption patterns, climatic conditions, technology development) are masked. The recent growth in CO<sub>2</sub> emissions after the 2008-2009 financial crisis provoked some decomposition analyses (see Jotzo, Burke, Wood, Macintosh, & Stern, 2012; Peters *et al.*, 2011). Again, the focus was on global trends, major economies, or distinction between developed and developing countries, or OECD vs Non-OECD countries. Although these studies provide interesting insights, the analyses overlook large disparities across multiple regional boundaries.

From a country perspective, for instance, Casler and Rose (1998) undertake a detailed analysis but limited to the U.S. economy, Wang *et al.* (2005) and Zhang *et al.* (2009) assess drivers but only for China, De Hann (2001) studies several air pollutants (including CO<sub>2</sub>) and their drivers for the Netherlands, Liaskas *et al.* (2000) decomposes industrial CO<sub>2</sub> emissions for the EU, De Freitas and Kaneko (2011) evaluates CO<sub>2</sub>-economy decoupling trends in Brazil, Luukkanen and Kaivo-oja (2002) provide an appealing study but addressed seven major developing countries (e.g. Brazil, China and India), Enevoldsen *et al.* (2007) study decoupling metrics of industrial energy consumption but for the Nordic Region exclusively, and Wilhite and Nørgård (2004) address energy use and corresponding GHG emissions for India and China. To some extent, the only exception we found is in Raupach *et al.* (2007), which analyse not only global but also regional drivers of CO<sub>2</sub> emissions. However, the regional analytical resolution in that study (four main countries and five regions) and time frame (1980 to 2005) are limited compared to the research at hand.

Very little attention has been given to certain regions; such as Africa, Latin America and the Middle East, and related regional drivers of accelerating CO<sub>2</sub> emissions. This is despite the fact that, for instance, the causes and/or impacts of climate change are mostly framed in regional (or sectoral) terms (e.g. as reflected in IPCC Assessment Reports). To a degree, this lack of regional knowledge is consistent with a very recent study acknowledging the need for much more research on geographical differences and implications of transitions to a low-carbon economy (Bridge, Bouzarovski, Bradshaw, & Eyre, 2013).

Using the most recent and longest available dataset (see International Energy Agency, 2012a), the aim of this short paper is to provide a succinct but high-resolution regional decomposition analysis of CO<sub>2</sub> emissions from fuel combustion for the period 1971-2010.<sup>1</sup> The paper at hand must be taken as a departure point for further and much deeper

---

<sup>1</sup> Note that data covering 2011 will be released by the IEA in September 2013.

analyses regarding regional low-carbon economies.<sup>2</sup> With the various green growth policy initiatives that were introduced in 2008-2009, our analysis also aims to cast light on whether the regions under analysis show or not signs of moving towards a low-carbon economy. This is because it has been argued that the global financial crisis provided an opportunity to move economies away from a high carbon emission path (see e.g. Barbier, 2010; Peters et al., 2011). With due limitations, we take 2010 as an entry point to briefly reveal and compare recent and historical drivers of CO<sub>2</sub> emissions from a regional perspective. In this regard, our paper aims to complement the results given by Peters *et al.* (2011) and Jotzo *et al.* (2012).

**2. Methodology**

To ensure scientific consistency with topical studies, we use the same methodological approach undertaken in the recent literature (e.g. Jotzo et al., 2012). Our paper focuses on CO<sub>2</sub> emissions, the dominant anthropogenic greenhouse gas flux, from fuel combustion. Emissions from cement production, gas flaring, and marine and aviation bunkers are excluded from the analysis.

We estimate the percentage change in CO<sub>2</sub> emissions from energy use and analyse annual changes in: (1) Gross Domestic Product (GDP), (2) energy use, (3) the ratio of energy use to GDP (energy intensity), and (4) the ratio of CO<sub>2</sub> to energy use (carbon intensity of energy) (for definitions see Table 1). We use the latest time series data (1971–2010) from the IEA (International Energy Agency, 2012a).<sup>3</sup>

**Table 1:** Variables, definitions and data source

Variable	Definition	Data source
CO <sub>2</sub> emissions	Emission from fuel combustion (in millions of tonnes of CO <sub>2</sub> ), , excluding emissions from marine and aviation bunkers	IEA (2012a)
Energy	Total primary energy supply (TPES), equivalent to production + imports – exports – international marine bunkers – international aviation bunkers ± stock changes (in millions of tonnes of oil equivalent)	
Gross Domestic Product (GDP)	Total annual output valued in billion year-2005 US dollars, adjusted by purchasing power parities	

We use the following formula to estimate the percentage growth rates of CO<sub>2</sub> emissions, energy use, GDP, energy intensity across all regions:

$$\text{Annual growth rate (in \%)} \text{ of } X_{\text{end year}} = ((X_{\text{end year value}} - X_{\text{previous year value}}) / X_{\text{previous year value}}) * 100$$

For the purposes of our analysis, we attempt to provide a simple but still high regional analytical resolution by dividing the world into eight regions: Africa, Asia, Latin

<sup>2</sup> This paper is the first of a series of manuscripts aiming at providing in-depth regional assessments of energy-economy transitions and the performance of energy and climate policy portfolios.

<sup>3</sup> Data were released in October 2012. Data are collected by the Energy Data Centre (EDC) of the IEA Secretariat and released after two years after the end of a calendar year.

America and the Caribbean (LATAM), the Middle East, Non-OECD Europe and countries from the former Soviet Union (FSU), Oceania, OECD Europe, and OECD North America (see Annex 1 for definition of regions).

### **3. Results**

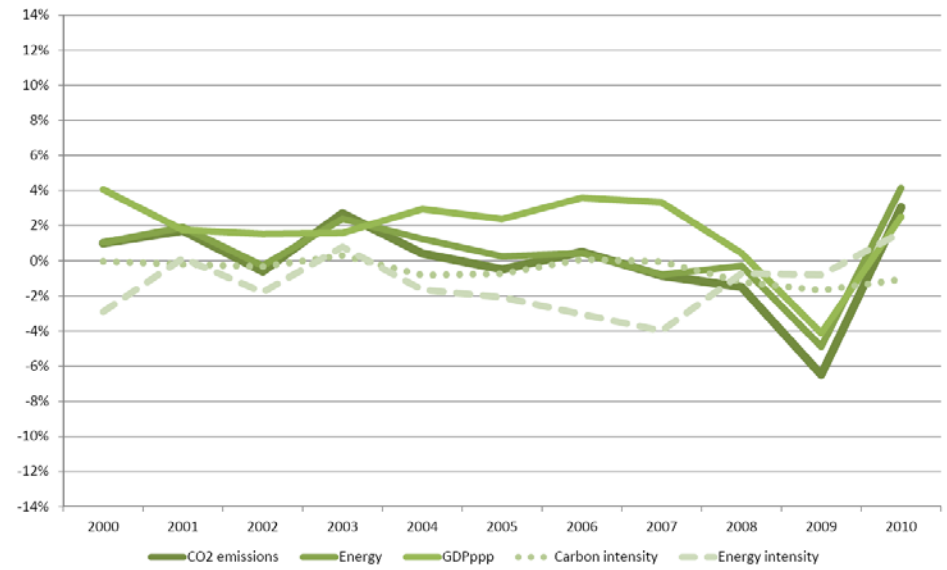
To begin with, our analysis shows that the 2010 rebound in CO<sub>2</sub> emissions was much more pronounced in OECD Europe, OECD North America, Non-OECD Europe and the FSU, and LATAM than in the rest of the world (Fig. 1). In these four regions, the emissions rebound correlated closely with increases in economic activity and energy use. In Europe and North America, emission growth reached a record high compared to historical averages (Table 2). In 2010 OECD Europe and OECD North America experienced an emission surge of 3% and 2% respectively, and both offset their 2009 reductions.

**Figure 1:** Estimated annual change (2000-2010) in CO<sub>2</sub> emissions, energy use, GDP, carbon intensity, and energy intensity in (a) OECD North America, (b) OECD Europe, (c) Non-OECD Europe and FSU, (d) Latin American and the Caribbean, (e) Oceania, (f) Asia, (g) Africa, and (h) the Middle East. Emissions from bunkers are not considered.

OECD North America



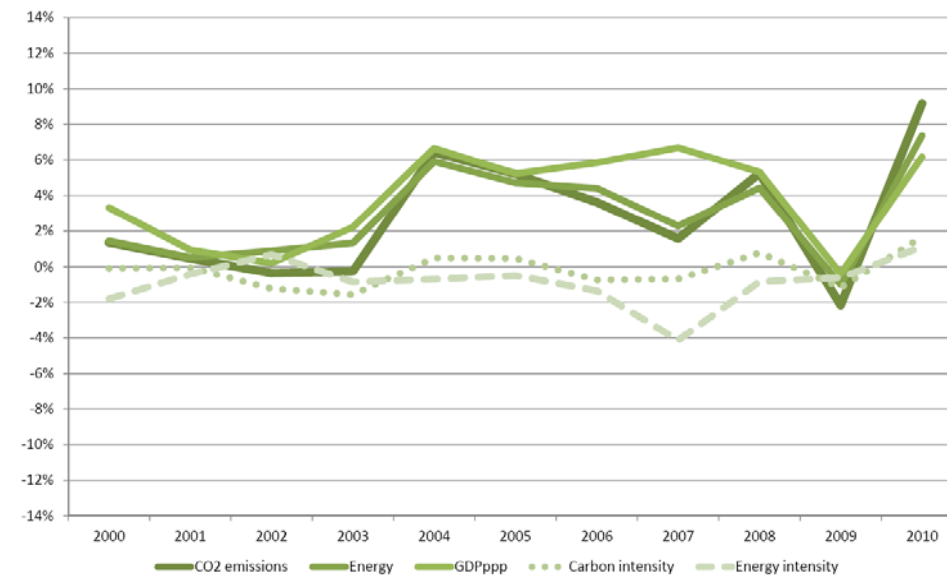
OECD Europe



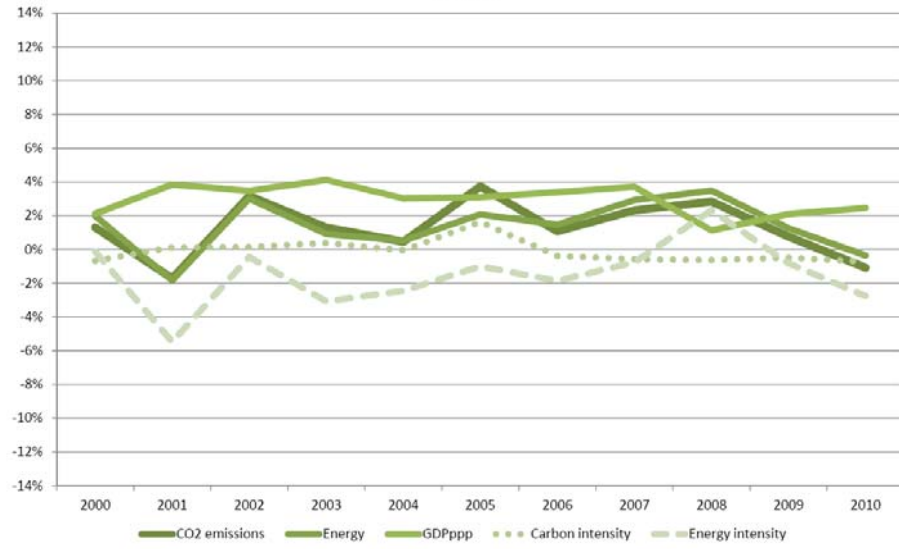
Non-OECD Europe + FSU



Latin America & Caribbean



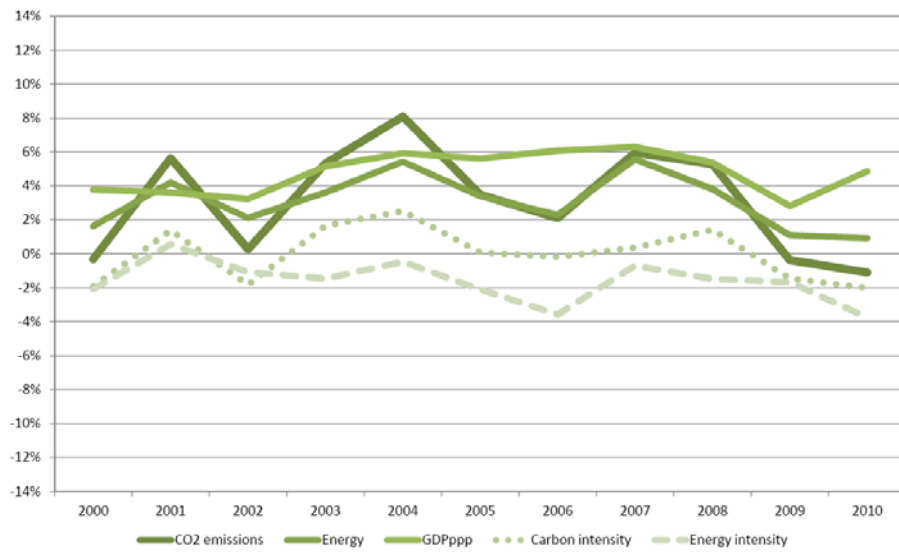
Oceania



Asia



Africa



Middle East



**Table 2:** Regional decomposition of Carbon dioxide (CO<sub>2</sub>) emission growth (all figures are percentages). CO<sub>2</sub> emissions are from fuel combustion, excluding emissions from marine and aviation bunkers, and measured in millions of tonnes of CO<sub>2</sub>. Energy is total primary energy supply measured in tonnes of oil equivalent. GDP is in constant year-2005 in US dollars, adjusted by purchasing power parities.

Annual % changes in	Asia	Africa	LATAM	Middle East	Non-OECD Europe & FSU	Oceania	OECD Europe	OECD North America
<b>CO<sub>2</sub> emissions</b>								
2010	6,7	-1,1	9,2	4,3	8,2	-1,1	3,0	2,0
1972-2010 average	4,7	3,8	3,0	7,2	0,2	2,3	0,2	0,8
Decadal averages								
1972-1980	4,9	5,7	5,0	12,3	3,7	3,3	1,5	1,6
1981-1990	4,4	4,1	1,0	6,1	1,5	2,2	-0,4	0,3
1991-2000	3,3	2,0	3,3	5,3	-4,9	2,5	-0,1	1,6
2001-2010	6,4	3,5	2,9	5,1	1,0	1,3	-0,2	-0,3
<b>Energy</b>								
2010	6,2	0,9	7,4	5,0	8,3	-0,4	4,1	2,2
1972-2010 average	4,1	3,3	2,9	7,2	0,8	2,3	1,0	1,1
Decadal averages								
1972-1980	4,3	4,0	4,2	11,5	4,2	3,4	2,1	1,9
1981-1990	3,9	3,5	1,7	6,6	2,2	2,4	0,8	0,7
1991-2000	3,1	2,5	2,8	5,5	-4,1	2,4	0,8	1,8
2001-2010	5,2	3,3	3,1	5,6	1,3	1,3	0,4	-0,1
<b>GDP</b>								
2010	8,2	4,9	6,2	3,1	3,9	2,5	2,5	3,3
1972-2010 averages	5,5	3,4	3,4	3,2	2,0	3,1	2,4	2,9
Decadal average								
1972-1980	5,1	4,0	5,5	7,0	5,2	2,6	3,2	3,6
1981-1990	5,8	2,1	1,3	-1,5	1,5	2,9	2,5	3,1
1991-2000	4,9	2,6	3,1	3,3	-3,7	3,6	2,3	3,4
2001-2010	6,2	4,9	3,9	4,3	5,2	3,0	1,6	1,6
<b>CO<sub>2</sub>/energy</b>								
2010	0,5	-2,0	1,7	-0,7	-0,1	-0,7	-1,1	-0,1
1972-2010 average	0,6	0,5	0,1	-0,1	-0,6	0,0	-0,8	-0,3
Decadal averages								
1972-1980	0,6	1,6	0,7	0,7	-0,6	0,0	-0,7	-0,3
1981-1990	0,5	0,5	-0,7	-0,4	-0,7	-0,2	-1,2	-0,5
1991-2000	0,1	-0,5	0,5	-0,1	-0,8	0,1	-0,8	-0,1
2001-2010	1,2	0,2	-0,2	-0,4	-0,4	-0,1	-0,6	-0,2
<b>Energy/GDP</b>								
2010	-1,8	-3,7	1,1	1,9	4,2	-2,8	1,6	-1,1
1972-2010 average	-1,3	0,0	-0,4	4,2	-1,0	-0,7	-1,3	-1,8
Decadal averages								
1972-1980	-0,8	0,1	-1,2	4,4	-0,8	0,7	-1,0	-1,7

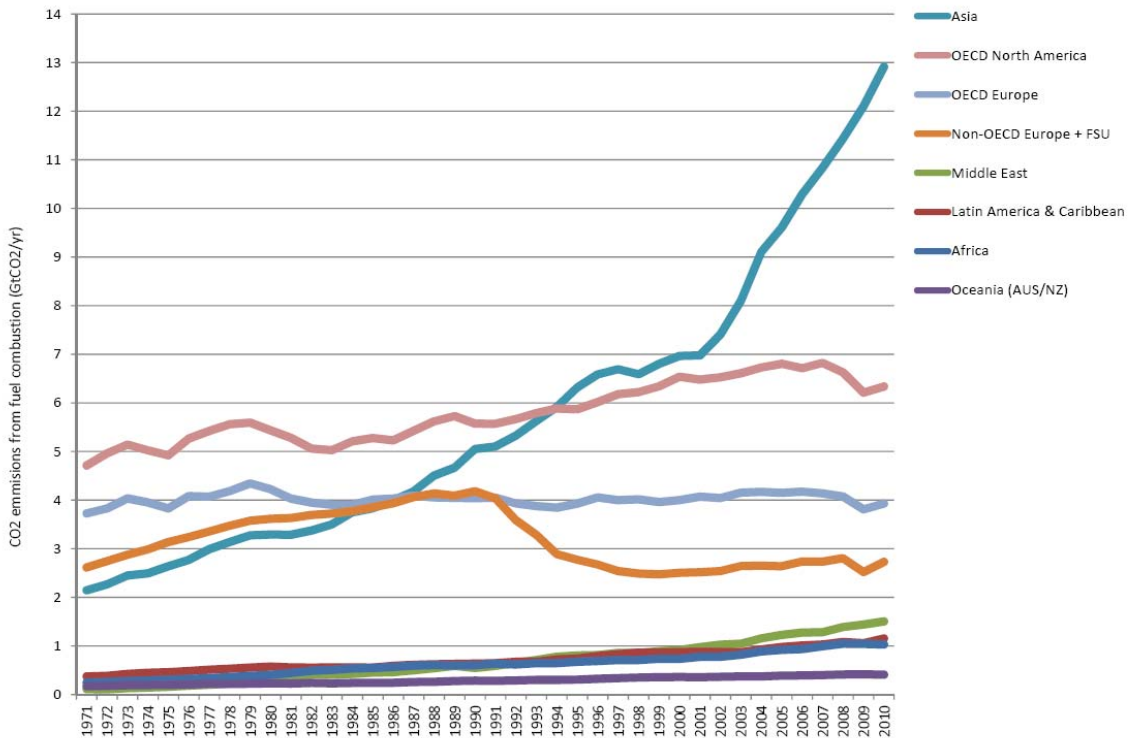


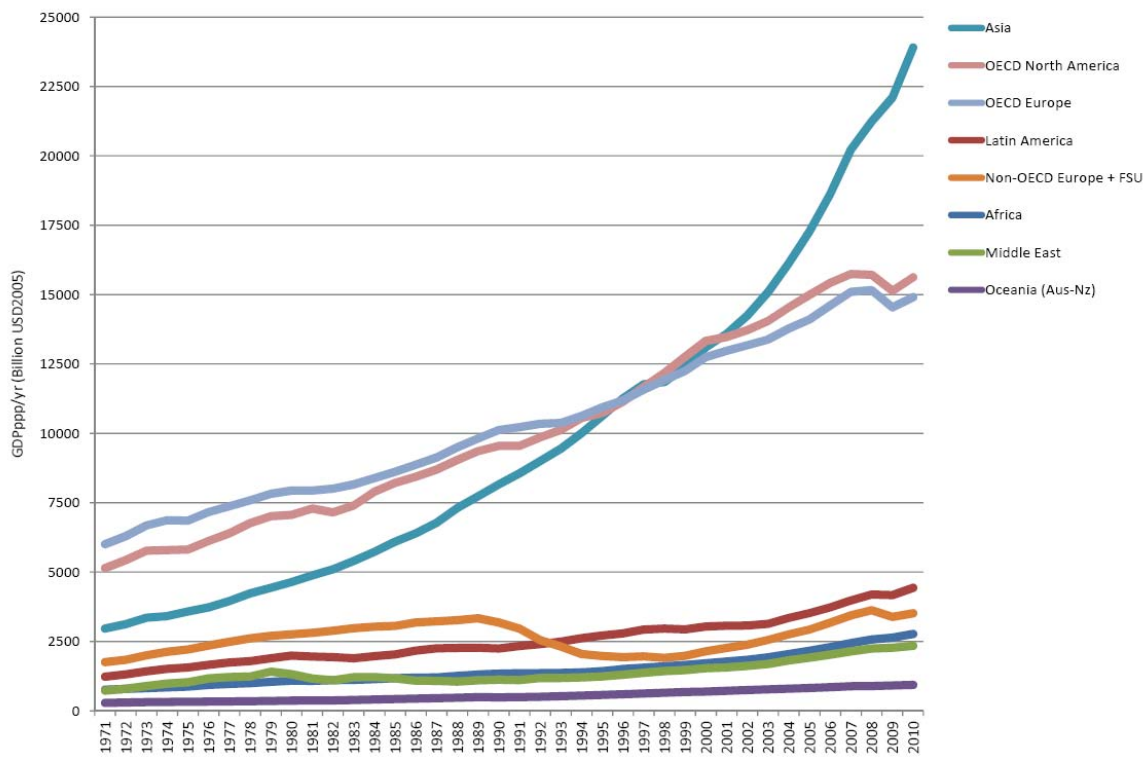
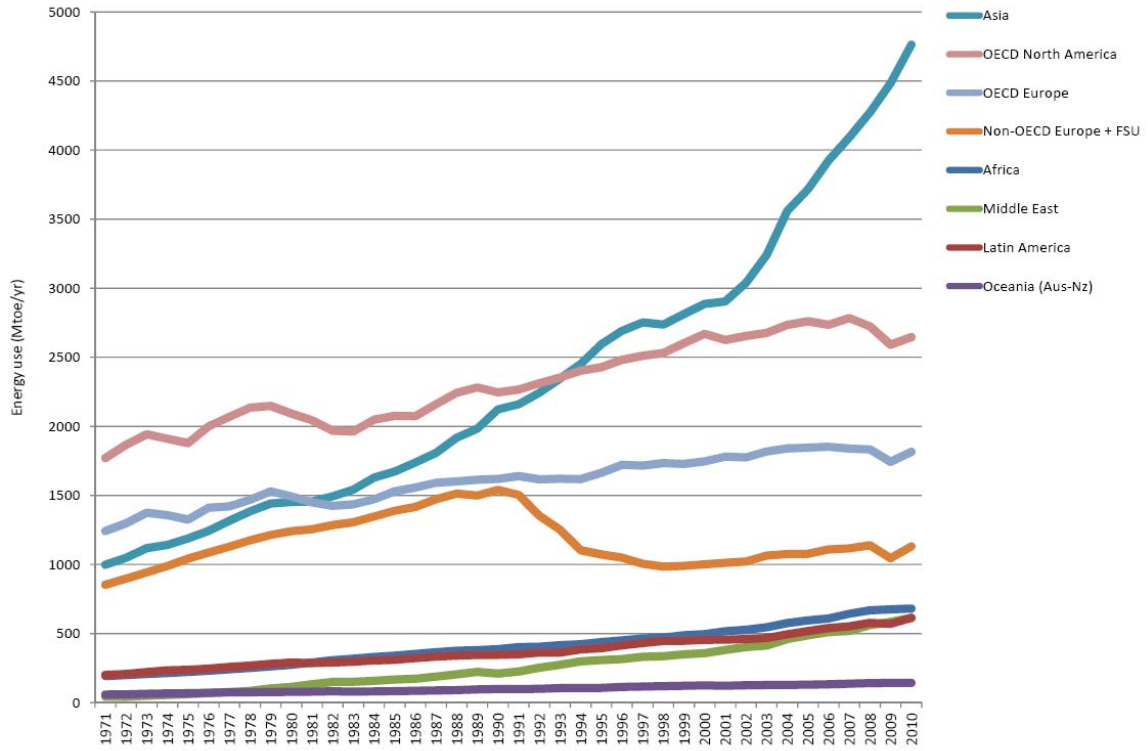
1981-1990	-1,8	1,4	0,5	8,8	0,8	-0,5	-1,6	-2,3
1991-2000	-1,6	0,0	-0,2	2,2	-0,3	-1,1	-1,5	-1,6
2001-2010	-1,0	-1,6	-0,8	1,2	-3,6	-1,6	1,2	-1,7

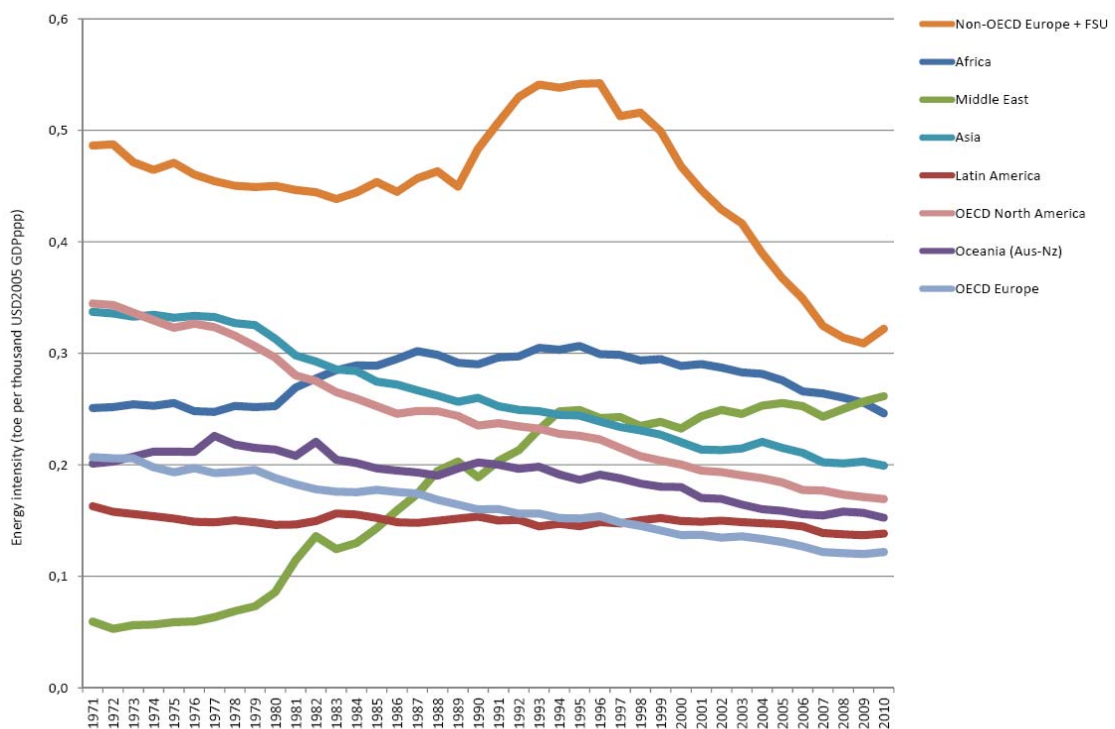
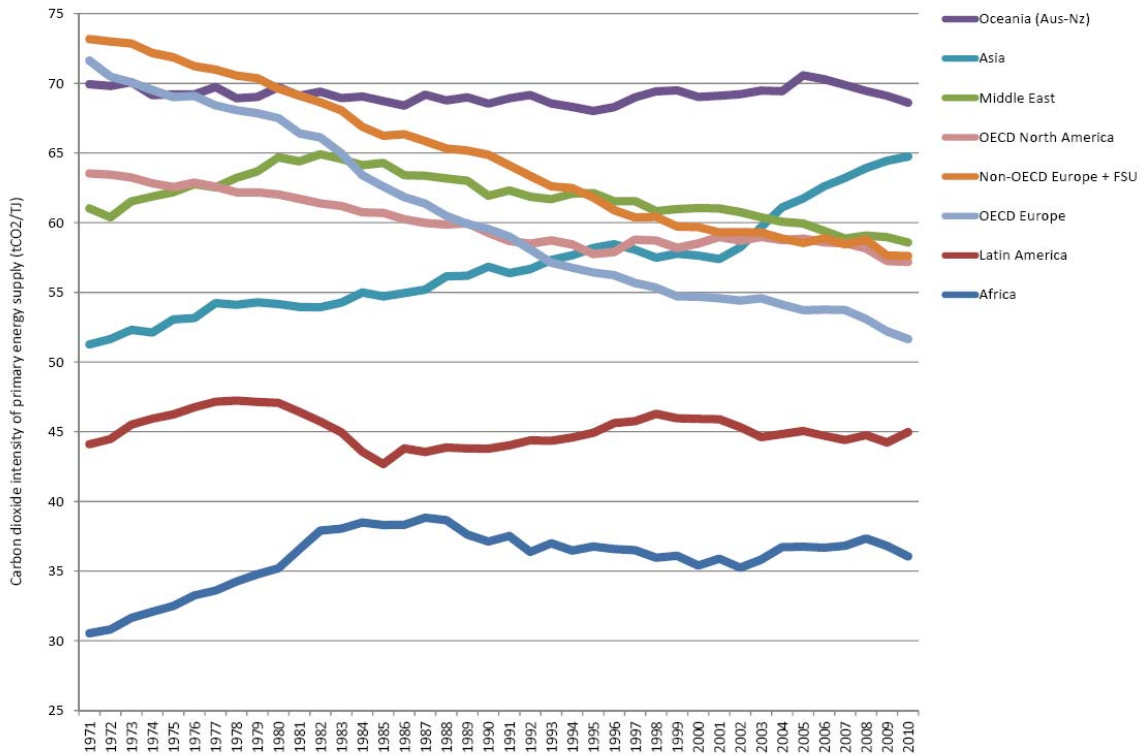
In OECD Europe the growth rate in energy intensity in 2010 was 1.6%, the highest since 1976. While OECD North America recorded a decrease in carbon and energy intensities in 2010, the recent rates show a slight weakening of relatively strong historical declining trends. In both OECD Europe and OECD North America, the 2010 upward trends in energy intensity as compared to the long term energy trends were likely due to lower fossil-fuel costs (oil prices in 2010 were 75–90 US dollars per barrel, similar to 2007 prices) (International Monetary Fund, 2012) and to the extraordinary growth in the construction sector (an energy- and labour-intensive sector targeted by economic recovery packages) (cf. Jotzo *et al.*, 2012). Nevertheless, in both regions, absolute energy intensity values were equal to, or lower than, any year prior to 2007 (Fig.2e). OECD Europe appears to be the single region making consistent progress to decarbonise its energy mix (Fig.2d).

Among the emerging economies, LATAM experienced the highest rebound in emissions in 2010, namely 9.2%. Emissions grew faster than both GDP and energy use, which grew at nearly twice their average historical rates. The consequent increase in carbon and energy intensity confirms the historical lack of progress in energy efficiency and decarbonisation across LATAM (Mundaca, 2013). The CO<sub>2</sub> content of the energy supply mix increased by 1.7%, and was the highest growth rate across all regions. In fact, the estimated absolute value for 2010 is comparable to figures from the early-1970s (Fig.2d).

**Figure 2:** Historic estimated absolute values per region from 1971 to 2010: (a) CO<sub>2</sub> emissions, (b) energy use, (c) GDP, (d) carbon intensity, and (e) energy intensity. Bunker fuels and emissions are not considered.





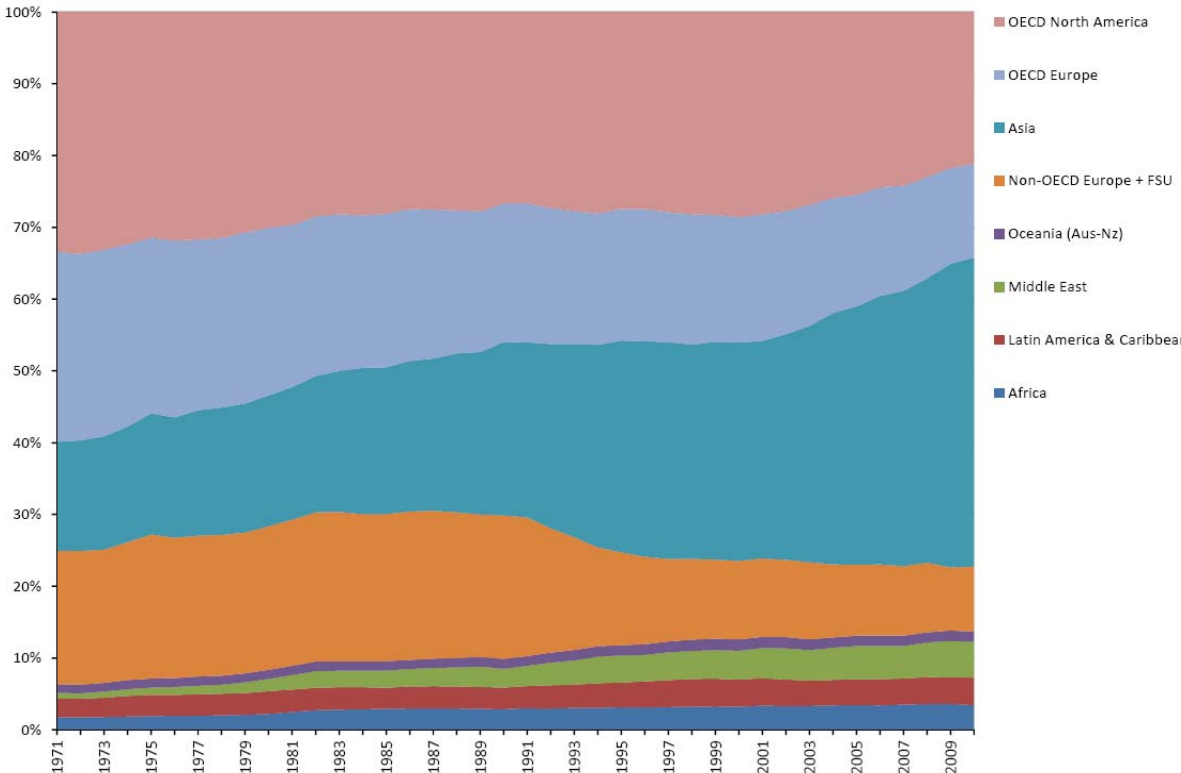


In the non-OECD Europe and FSU region, both the decline and increase in emissions were sharper than in any other region, with a decrease of 10% in 2009, followed by an increase of 8.2% in 2010. This growth in emissions was about twice as high as that of GDP and correlates closely with growth in energy use. Progress for decarbonising the energy mix

in the non-OECD Europe and FSU region has slowed down since the mid 1990s. Across the whole of Europe (both OECD and non-OECD countries) a historical decline in energy intensity has not only stopped, but the trend has reversed.

Asia did not experience a significant rebound, but its emissions grew much faster than the historical annual average. The region, which has been the world’s dominant CO<sub>2</sub> emitter since the mid-1990s (see Fig 3.), experienced an increase in emissions of 6.7% in 2010, a higher figure than both its historical average of 4.7% yr<sup>-1</sup> and the growth during the financial crisis, which ranged from 5.6% to 5.8%. In 2010 emissions also grew faster than energy use (6.2% yr<sup>-1</sup>). Despite the deceleration in economic activity in Asia – from 8.6% GDP growth in 2007 to 4.1% in 2009 – annual growth in energy use remained unchanged, approximately 5% in the period 2008–2009. Thus, whereas energy intensity in 2010 decreased by 1.8%, the improvement was more due to an increase in economic activity (8.2%) than actual reductions in energy use. In addition, Asia did not show any progress in the decarbonisation of its energy supply mix; CO<sub>2</sub> intensity increased by 0.5% in 2010 – a figure comparable to its historical average annual growth rate (0.6% yr<sup>-1</sup>) (Fig. 2). Absolute figures show a worrying marked upward historical trend (Fig. 2d).

**Figure 3:** Relative contributions of regions to CO<sub>2</sub> emissions from fuel combustion for the period 1971-2010.



The Middle East showed a much less pronounced carbon rebound in 2010 than other region. However, emissions continued to grow faster than GDP. Although the rebound did

not offset 2008–2009 reductions, on average, emissions have grown at 7.1% yr<sup>-1</sup> since 1972, the highest rate across all regions (Table 2). A similar trend is found for energy use, which correlates closely with emissions growth, indicating essentially no change in the energy supply mix. Additionally, even if energy intensity in 2010 increased more slowly (1.9%) than the historical annual average (4.2%), absolute values show a very disturbing upward trend. In fact, the Middle East region shows the most dramatic increase in energy intensity (by a factor of 5) than any other region in the world historically (approx. 0.5 toe/USGDP in 1971 compared to 2.6 0.5 toe/USGDP in 2010). Possible explanations for these trends include an unchanged oil path dependency (cf. Grubler *et al.*, 2012), promoted by the highest subsidies in the world for fossil fuels (50–80%) (International Energy Agency, 2012b).

In Oceania and Africa, there was a decrease in CO<sub>2</sub> emissions of 1.1% in 2010. This is despite the fact that both regions experienced economic growth, 2.5% and 4.9% respectively. Only these two regions experienced reductions in energy and carbon intensities at the same time. Africa shows consistent reductions in energy intensity since the mid 1990s and is still a relative marginal contributor to CO<sub>2</sub> emissions globally (Fig.3). Although a slight relative decrease in carbon intensity of 0.7% is estimated for Oceania in 2010, the region has not shown any significant progress historically, and its absolute value has been the highest in the world for the past three decades.

#### **4. Concluding remarks**

Keeping in mind substantial differences across regions, our estimates show that by the end of 2010 most regions do not seem to show any substantial progress in reducing CO<sub>2</sub> emissions. Whereas specific drivers for certain regions suggest some level of continuous improvement (e.g. decarbonisation of energy mix in OECD Europe; reduced energy intensity in Asia), they are incapable of offsetting the effects of economic growth and increased energy use. Looking at several drivers, most regions reveal a worsening trend lately (e.g. increased energy intensity) or lack of improvement compared to historical rates. Estimates show that economic growth and/or increased energy use were the dominant drivers behind the unparalleled CO<sub>2</sub> emission surge in 2010. Increased energy intensity also played a critical role.

In most regions results appear to confirm that it is a delusion to continue talking about ‘decoupling’. That is, a situation in which environmental impacts decline relative to GDP growth. If dangerous climate change is to be avoided, global CO<sub>2</sub> emissions must be reduced and cannot continue to rise forever, even if at a slower rate than GDP. The consequence of decoupling, whether termed relative or absolute, is no coupling at all, which makes no sense. To counteract the environmental impacts of the GDP growth, we can (1) reduce the environmental intensities of our economies, as discussed here, through lowering energy and carbon intensities, and/or (2) reconsider the policies of endlessly promoting economic growth (Nørgård, 2006), even in regions where demand for more production in recent decades have fallen back, and environmental costs are rising. This could leave more ‘environmental space’ for economic growth in regions where the needs are evident.

With due limitations, results suggest limited (if any) environmental effectiveness regional policy portfolios to encourage a low-carbon economy. Whereas it is too early to judge, and contrary to initial expectations, Africa (and Oceania to a lesser extent) appears to

be the only region that showed signs of grabbing the low-carbon economy opportunity. Trends in other parts of the world seem to support earlier concerns about the effectiveness of economic recovery packages (particularly in the United States, the European Union and Asia) to stimulate a green economy and support low-carbon technologies (Barbier, 2010).

At the risk of stating the obvious, our results clearly suggest that highly ambitious policies are needed now, more than ever, if significant progress in reducing CO<sub>2</sub> emissions is to be made. If we are to align production and consumption patterns with maintaining global warming below the 2°C threshold, meaningful progress in increasing energy efficiency and decarbonising energy systems is still very much needed across all regions (cf. Luderer et al., 2012; Ürge-Vorsatz & Metz, 2009). However, radical absolute reductions in fossil fuel-based energy use and CO<sub>2</sub> emissions are particularly urgently required in rich regions. This is critical if there is to be economic growth in the less-developed regions of a world where carbon constraints and other ecological limitations pose a serious challenge. Unfortunately historical trends, policy commitments, and current carbon reduction pledges show that there is still a 20% probability of going beyond a 4°C rise by 2100 (The World Bank, 2012).

## References

- Barbier, E. (2010). How is the Global Green New Deal going? *Nature*, 464(7290), 832–833.
- Bridge, G., Bouzarovski, S., Bradshaw, M., & Eyre, N. (2013). Geographies of energy transition: Space, place and the low-carbon economy. *Energy Policy*, 53, 331–340.
- Casler, S. D., & Rose, A. (1998). Carbon dioxide emissions in the US economy: A structural decomposition analysis. *Environmental and resource economics*, 11(3), 349–363.
- De Freitas, L. C., & Kaneko, S. (2011). Decomposing the decoupling of CO<sub>2</sub> emissions and economic growth in Brazil. *Ecological Economics*, 70(8), 1459–1469.
- De Haan, M. (2001). A structural decomposition analysis of pollution in the Netherlands. *Economic Systems Research*, 13(2), 181–196.
- Enevoldsen, M. K., Ryelund, A. V., & Andersen, M. S. (2007). Decoupling of industrial energy consumption and CO<sub>2</sub>-emissions in energy-intensive industries in Scandinavia. *Energy economics*, 29(4), 665–692.
- Grubler, A., Johansson, T. B., Mundaca T., L., Nakicenovic, N., Pachauri, S., Riahi, K., ... Strupeit, L. (2012). Energy Primer. In T. B. Johansson, A. Patwardhan, N. Nakicenovic, & L. Gomez-Echeverri (Eds.), *Global Energy Assessment* (pp. 99–150). Cambridge UK: Cambridge University Press.
- International Energy Agency. (2012a). *CO<sub>2</sub> Emissions from Fuel Combustion 2012 Edition*. Paris: IEA/OECD.
- International Energy Agency. (2012b). *Energy Subsidies*. Retrieved November 27, 2012, from <http://www.worldenergyoutlook.org/resources/energysubsidies/>
- International Monetary Found. (2012). *Commodity Market Review*. IMF. Retrieved from [http://www.imf.org/external/np/res/commod/Commodity\\_Market\\_Review1012.pdf](http://www.imf.org/external/np/res/commod/Commodity_Market_Review1012.pdf)
- Johansson, T. B., Patwardhan, A., Nakicenovic, N., & Gomez-Echeverri, L. (Eds.). (2012). *Global Energy Assessment - Toward a Sustainable Future*. Cambridge University Press, Cambridge, UK and New York, NY, USA and the International Institute for Applied Systems Analysis, Laxenburg, Austria.
- Jotzo, F., Burke, P. J., Wood, P. J., Macintosh, A., & Stern, D. I. (2012). Decomposing the 2010 global carbon dioxide emissions rebound. *Nature Climate Change*, 2(4), 213–214.

- Liaskas, K., Mavrotas, G., Mandaraka, M., & Diakoulaki, D. (2000). Decomposition of industrial CO<sub>2</sub> emissions: The case of European Union. *Energy Economics*, 22(4), 383–394.
- Luderer, G., Bosetti, V., Jakob, M., Leimbach, M., Steckel, J. C., Waisman, H., & Edenhofer, O. (2012). The economics of decarbonizing the energy system—results and insights from the RECIPE model intercomparison. *Climatic Change*, 1–29.
- Luukkanen, J., & Kaivo-oja, J. (2002). Meaningful participation in global climate policy? Comparative analysis of the energy and CO<sub>2</sub> efficiency dynamics of key developing countries. *Global Environmental Change*, 12(2), 117–126.
- Metz, B., Davidson, O., Bosch, P., Dave, R., & Meyer, L. (Eds.). (2007). *Climate Change 2007: Mitigation of Climate Change. Contribution of Working Group III to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change*. New York: Cambridge University Press.
- Mundaca, L. (2013). Climate change and energy policy in Chile: Up in smoke? *Energy Policy*, 52, 235–248.
- Nørgård, J. S. (2006). Consumer efficiency in conflict with GDP growth. *Ecological Economics*, 57(1), 15–29.
- Peters, G. P., Marland, G., Quéré, C. L., Boden, T., Canadell, J. G., & Raupach, M. R. (2011). Rapid growth in CO<sub>2</sub> emissions after the 2008-2009 global financial crisis. *Nature Climate Change*, 2(1), 2–4.
- Raupach, M. R., Marland, G., Ciais, P., Quéré, C. L., Canadell, J. G., Klepper, G., & Field, C. B. (2007). Global and regional drivers of accelerating CO<sub>2</sub> emissions. *Proceedings of the National Academy of Sciences*, 104(24), 10288–10293.
- The World Bank. (2012). *Turn down the heat: Why a 4°C warmer world must be avoided*. (p. 106). Washington DC, USA: International Bank for Reconstruction and Development / The World Bank. Retrieved from [http://climatechange.worldbank.org/sites/default/files/Turn\\_Down\\_the\\_heat\\_Why\\_a\\_4\\_degree\\_centrigrade\\_warmer\\_world\\_must\\_be\\_avoided.pdf](http://climatechange.worldbank.org/sites/default/files/Turn_Down_the_heat_Why_a_4_degree_centrigrade_warmer_world_must_be_avoided.pdf)
- Wang, C., Chen, J., & Zou, J. (2005). Decomposition of energy-related CO<sub>2</sub> emission in China: 1957–2000. *Energy*, 30(1), 73–83.
- Wilhite, H., & Nørgård, J. S. (2004). Equating Efficiency with Reduction: A Self-Deception in Energy Policy. *Energy & Environment*, 15(6), 991–1009.  
doi:10.1260/0958305043026618
- Ürge-Vorsatz, D., & Metz, B. (2009). Energy efficiency: how far does it get us in controlling climate change? *Energy Efficiency*, 2(2), 87–94.
- Zhang, M., Mu, H., & Ning, Y. (2009). Accounting for energy-related CO<sub>2</sub> emission in China, 1991–2006. *Energy Policy*, 37(3), 767–773.

**Annex 1: Definition of regions**

<b>Region</b>	<b>Geographical coverage</b>
Africa	Algeria, Angola, Benin, Botswana, Cameroon, Congo, Dem. Rep. of Congo, Côte d'Ivoire, Egypt, Eritrea, Ethiopia, Gabon, Ghana, Kenya, Libya, Morocco, Mozambique, Namibia, Nigeria, Senegal, South Africa, Sudan, United Rep. of Tanzania, Togo, Tunisia, Zambia, Zimbabwe, other Africa
Asia	Bangladesh, Brunei, Cambodia, Hong Kong (China), India, Indonesia, Israel, Japan, DPR of Korea, Malaysia, Mongolia, Myanmar, Nepal, Pakistan, People's Rep. of China, Philippines, Singapore, South Korea, Sri Lanka, Taiwan, Thailand, Vietnam, other Asia
Latin America and the Caribbean	Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Netherlands Antilles, Nicaragua, Panama, Paraguay, Peru, Trinidad and Tobago, Uruguay, Venezuela, other Americas
Middle East	Bahrain, Islamic Rep. of Iran, Iraq, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Syrian Arab Republic, United Arab Emirates, Yemen
Non-OECD Europe and FSU	Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Georgia, Gibraltar, Kazakhstan, Kosovo, Kyrgyzstan, Latvia, Lithuania, FYR of Macedonia, Malta, Republic of Moldova, Montenegro, Romania, Russian Federation, Serbia, Tajikistan, Turkmenistan, Ukraine, Uzbekistan, USSR (former), Yugoslavia (former)
Oceania	Australia, New Zealand
OECD Europe	Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Luxembourg, Netherlands, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom
OECD North America	Canada, Mexico, United States