



# EU climate policy: state of play and implications for the enlargement process

NGOs ENVIRONMENT AND CLIMATE FORUM (ECF) ANNUAL MEETING

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## Outline

- 1) *The EU climate and energy challenges : state of play*
- 2) *The EU climate and energy challenges : what next?*
  - i. International negotiations**
  - ii. Domestic implementation**
  - iii. Adaptation**
- 3) *Implications of current policy processes for the EU Candidate Countries and Potential Candidates*

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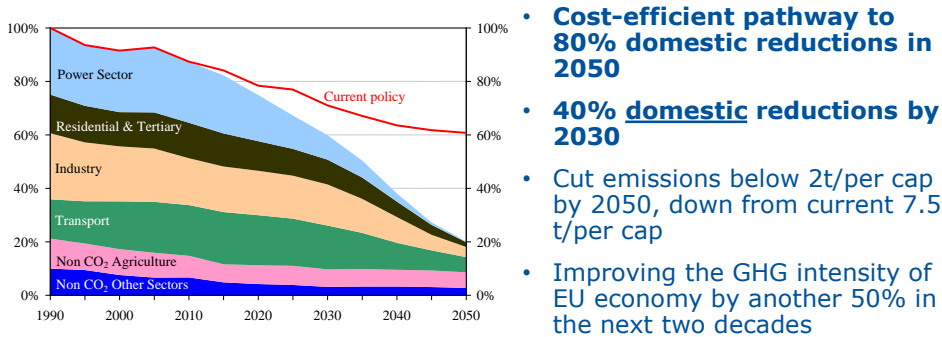


# 1) EU climate and energy challenges: State of play

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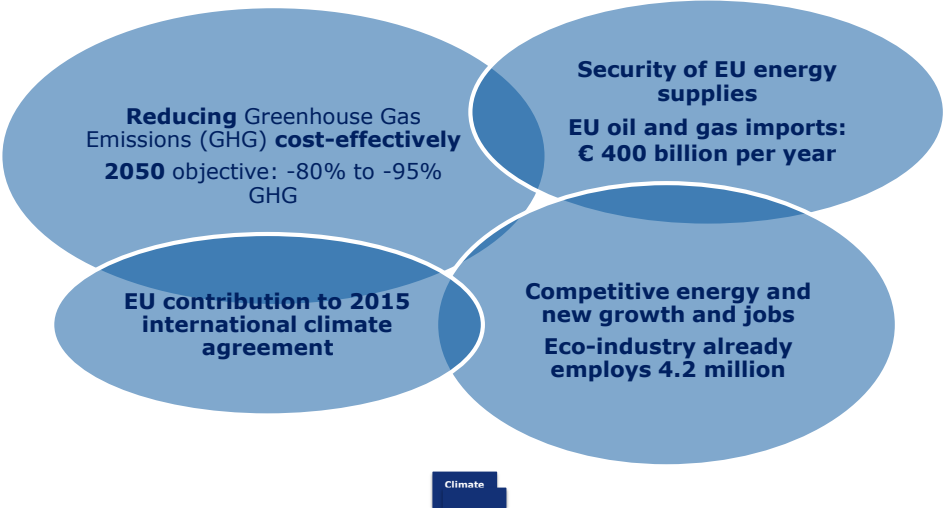
## 2050 Roadmap: EU long-term planning



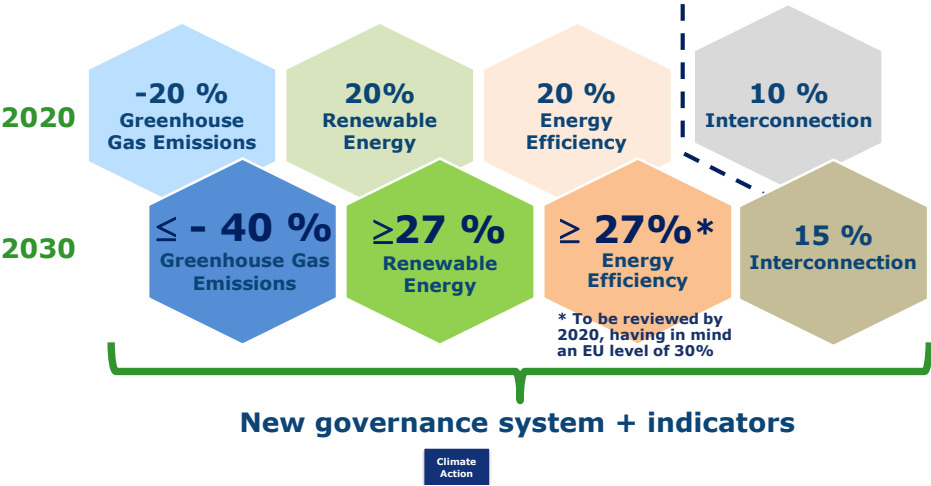
with 40% by 2030 target	1990	2000	2010	2020	2030	2040	2050
Population (million)		486	504	517	525	528	526
Assumed GDP growth rates p.a.				1,5%	1,6%	1,4%	1,4%
Total GHG emissions (MtCO <sub>2</sub> e)	5684	5216	4847	4260	3379	1960	1146
Emission intensity (t of CO <sub>2</sub> /M€10)		487,2	394,0	299,0	202,7	102,3	52,2
Energy related CO <sub>2</sub> em./cap		8,2	7,5	6,2	5,0	2,8	1,5
GHG em. Wrt. 1990		-8%	-15%	-25%	-41%	-66%	-80%
Low carbon electricity		46%	49%	60%	73%	85%	94%



Why a new framework for 2030?

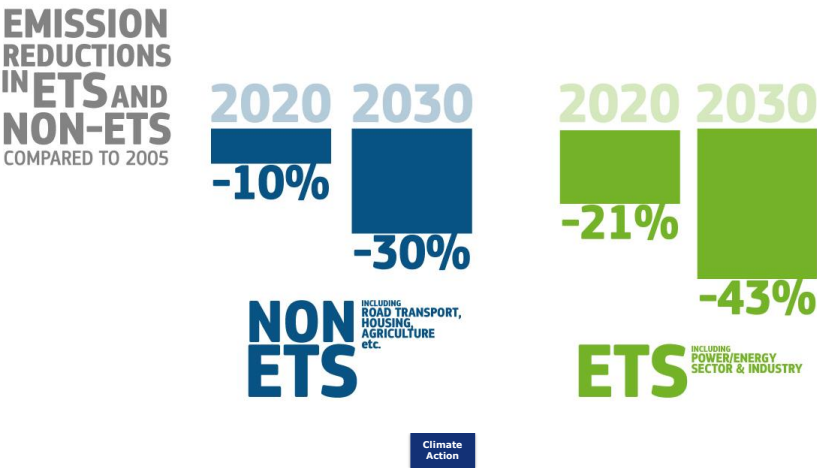


Agreed headline targets  
2030 Framework for Climate and Energy





Emission reductions in ETS and non-ETS

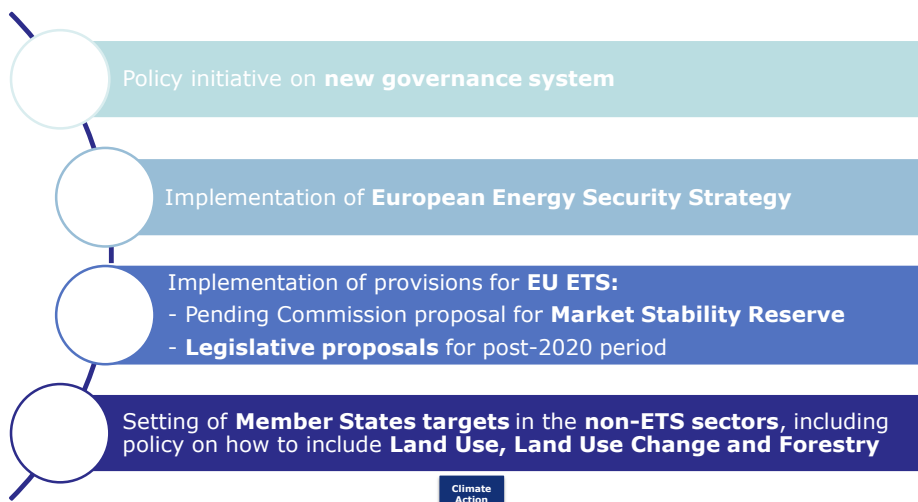


The European carbon market after 2020  
Well-functioning reformed EU ETS as the main instrument

- Cap to decline with 2.2 % from 2021 onwards
  - Free allocation to prevent carbon leakage continued
  - Redistribution: 90 % among all 28 Member States / 10 % among lower income Member States
  - Innovation fund created ("NER400")
  - Modernisation fund set up
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## Next steps



## 2) EU climate and energy challenges: What next?





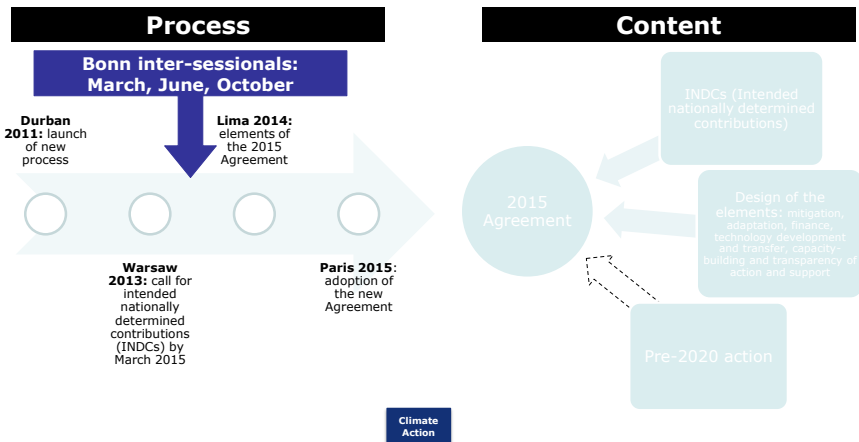
2.i) International negotiations

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Context: towards the 2015 Agreement

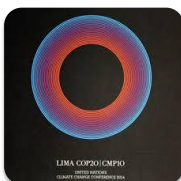
A new international climate agreement applicable to all to keep global average temperature increase below 2°C



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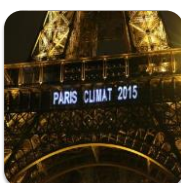


## EU priorities for Lima and Paris



### Lima 2014

- **Upfront information** requirements defined so INDCs are understandable and comparable
- Clarity on **international process** in 2015 to assess fairness & collective adequacy of INDCs
- Further progress on how **adaptation** and **financial and other support** are to be reflected in the 2015 Agreement
- **Elements of the 2015 Agreement**



### Paris 2015

- Addressing **mitigation, adaptation, finance, technology, capacity-building, transparency** of action and support in a comprehensive way
- Inclusion in the 2015 Agreement of a **long-term goal consistent with science** (keeping global average temperature increase below 2°C vs. pre-industrial levels)
- Nationally determined contributions to be included in the form of **mitigation commitments that are legally binding**
- Further strengthen **multilateral rules** through monitoring, reporting and verification, accounting and compliance
- Mechanism to regularly consider global level of ambition so **Parties can raise their own ambition** if wished and necessary
- Catalyse **real action by all types of stakeholders**, building on pre-2020 experience

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## 2.ii) Domestic implementation

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## New and Planned Policy Initiatives and Legislation

### Monitoring Mechanism Regulation (MMR)

**Status:** Regulation entered into force on 8 July 2013. Delegated MMR adopted in March, while implementing act was adopted in June 2014.

**Key objectives:** timely, transparent and accurate reporting at EU and MS level (KP rules and ESD, LULUCF, adaptation, financial and TA to dev'ing countries)

### Emissions Trading

- ❑ Back-loading: postpone auctioning to 2019-2020
  - **Amendment of the ETS Directive has been adopted (Dec 2013)**
  - **Amendment of EU ETS Auctioning Regulation adopted (Feb 2014)**
- ❑ Structural measures for a sustainable solution to the imbalance between supply and demand
  - **Proposal for a reserve mechanism to render auction supply more flexible has been put forward in January 2014.**

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## New and Planned Policy Initiatives and Legislation (2)

### ETS Aviation

- Commission proposal for a European Regional Airspace Approach for EU emissions trading for aviation (16/10/2013): amending EU ETS so that aviation emissions would be covered for the part of flights that takes place in European regional airspace. The adjustment in the legislation would apply from 1 January 2014 and until a planned global MBM becomes applicable to international aviation emissions by 2020, according to ICAO.
- Agreement on this proposal reached in April 2014

### Ozone-depleting substances, fluorinated greenhouse gases

- New Regulation on fluorinated greenhouse gases adopted – applies from 1/1/2015: phasing down in steps to 2/3 by 2030 and banning the use when less harmful alternatives are widely available

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### **New and Planned Policy Initiatives and Legislation (3)**

#### **Limit amount of 1st gen. biofuels (ILUC)**

- Proposed Directive (amending FQD and RED): transition to biofuels with solid GHG savings when estimated ILUC impacts are considered.
- *Article 7a of the Fuel Quality Directive set a 6% reduction target for 2020 from a 2010 baseline.*
- Needs methodology for calculating and reporting GHG intensity for non-biofuel GHG emissions (method for biofuels already in the Directive)
- *GHG calculation methodology is based on GHG default values for each fuel type (i.e. petrol, diesel, LPG and CNG) irrespective of whether these fuels are made from conventional crude, oil sand or oil shale.*
- Adaptation foreseen in October 2014

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### **New and Planned Policy Initiatives and Legislation (4)**

#### **CO<sub>2</sub>/cars and vans**

- July 2012 proposal for Regulation for implementing the 95 g/km target to be implemented from 2021
- EP and Council reached a deal: target is secured and the European Commission is asked to propose a 2025 target by end-2015

#### **Maritime transport**

- June 2013 Proposal for Regulation on MRV system to apply to shipping activities carried out from 1 January 2018
- Currently in the co-decision process, with early second reading in the European Parliament envisaged. The negotiations between the institutions have been concluded in an agreement, with expected adoption by end of the year

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## Adaptation

Adaptation is inevitable even with successful mitigation

- Postponed adaptation will result in higher damage costs. e.g.  $\geq$  100 bn/year by 2020; 250 bn/year by 2050 for the EU

Progress made in addressing adaptation

- EU Strategy on adaptation to climate change (2013)
- Integrating ('mainstreaming') adaptation considerations in EU sectoral policies (water, agriculture, health) and EU funds
- Climate-ADAPT: web-portal on adaptation information in Europe

Challenges Ahead

- Increasing resilience across the whole EU territory
- Speeding up the process of implementation adaptation action
- Ensure additional adaptation action in investments and business decisions



### 3) Implications of current policy processes for the EU Candidate Countries and Potential Candidates





## Key challenges

- In line with Warsaw COP outcome and as part of global efforts, countries to prepare and put forward intended contributions by 1Q2015

**Needs to go hand-in-glove with the domestic climate policy and strategy development -> timing!**

- Political attention to climate action still to be stepped up significantly
- Administrative capacity and inter-institutional cooperation and coordination require strengthening
- Alignment with EU acquis still at early stage
- Keep the momentum on IPA uptake

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## Next financial perspectives (IPA II 2014–2020)

- In view of the agreed 20% MFF climate target, an increase of climate-related expenditure during the 2014-2020 programming period is expected
- Domestic coordination!
- Indicative priorities:
  - Further capacity-building on climate *acquis* topics
  - Investment in mitigation and adaptation
  - Mainstreaming of climate in other priority sectors (e.g. energy, transport, agriculture etc.)

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## In concrete terms, the following is needed:

- **A long-term national low-emission development strategy (with targets for 2020, 2030, ... 2050), converging with EU climate policy and legislation**
- **Measurable objectives, targets and action plans**
- **High quality Monitoring, Reporting and Verification (MRV) - Convergence with the EU Monitoring Mechanism**
- **Stronger administrative capacity**
- **Interinstitutional coordination**
- **Legislative framework**

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## Most important is YOUR domestic action

The EU can facilitate with bilateral, regional and international co-operation

### Bilateral level

- **Enlargement process (SAA Council and Committees, sub-committees)**
- **Policy dialogue and technical co-operation**
- **Enhanced use of enlargement instruments (IPA, TAIEX)**

### Regional level

**Regional initiatives, in particular the Environment and Climate Regional Accession Network (ECRAN 2013-2016).**

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## Discussion topics

- How can civil society contribute to EU climate *acquis* alignment efforts in enlargement countries?
- How does/can civil society raise awareness on climate issues in targeted countries?
- How civil society organizations in the region coordinate and disseminate knowledge and information nationally and regionally?
- Any proposals for the Commission?
- Other topics to be considered?

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# THANK YOU!



2030

FRAMEWORK for CLIMATE & ENERGY  
#EU2030

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