

Towards ambitious INDCs: An EU perspective



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Outline

- EU challenges and opportunities
- The EU's climate policy beyond 2030
- Conclusions

EU – challenges and opportunities



High energy
import
dependence



Advanced
knowledge
economies

Open, trading
economies



Emissions
trading systems

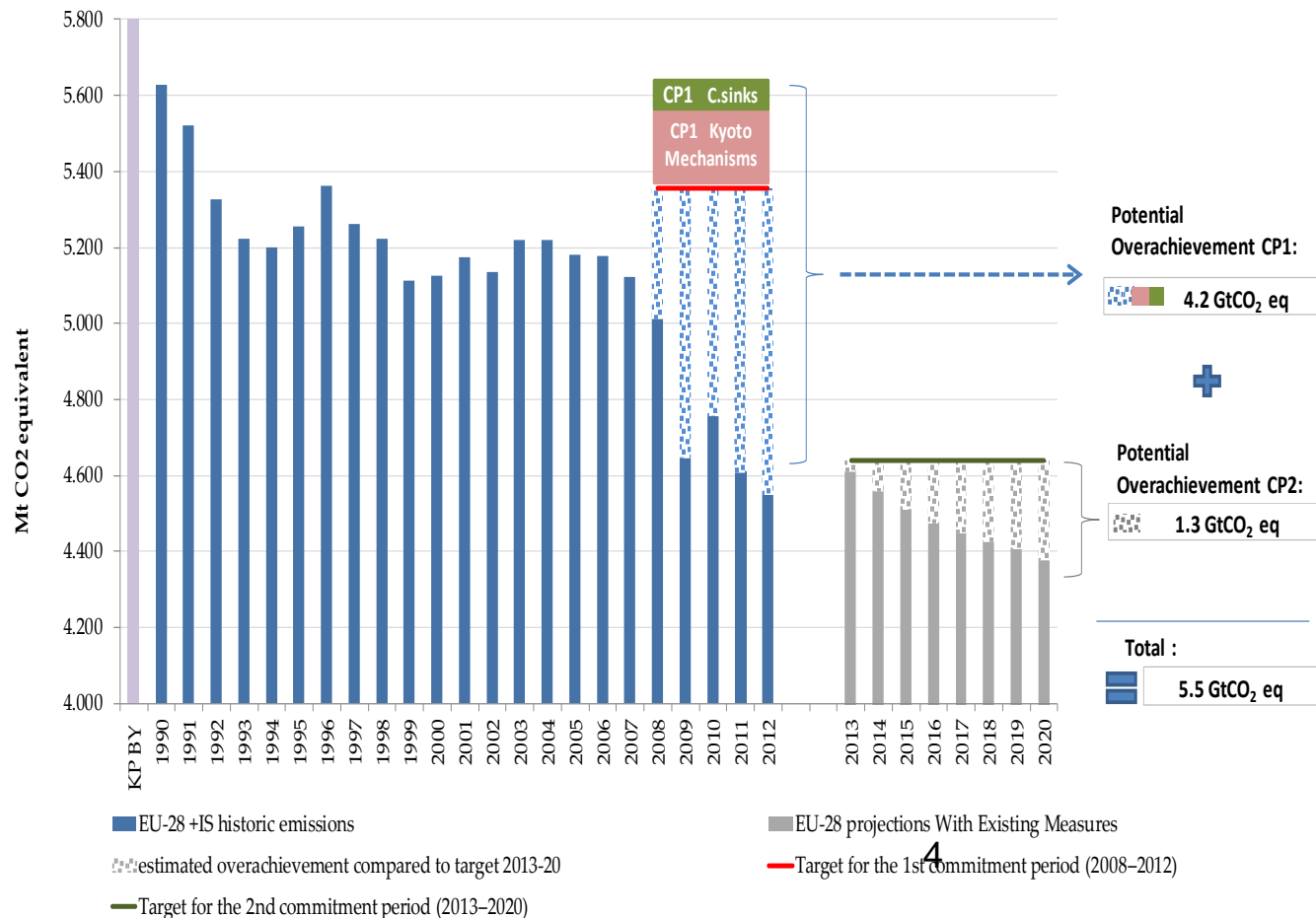


Importance of
energy intensive
industries



Regional and
global
leadership

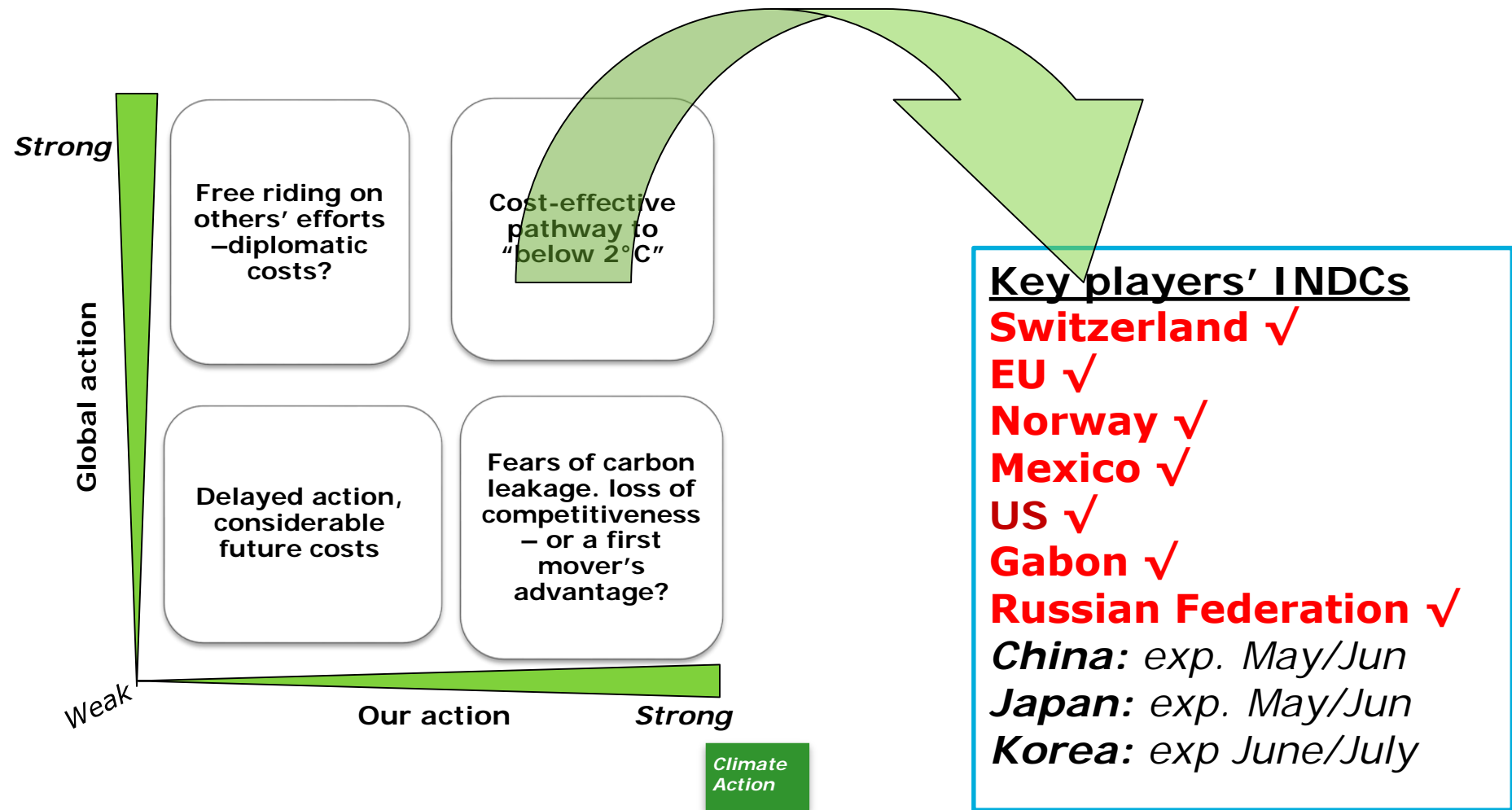
EU action is delivering: Emissions going down since 1979...



Emission reductions
(EU-28 and Iceland):

- Total emissions (without LULUCF) in 2012 are 21.7% below base year levels
- Projected to be around 24,5% below base year levels in 2020.
- Over the period 2008-2012, the average annual emissions are 18.8% below base year levels

INDCs: Do we face a “prisoner’s dilemma”?



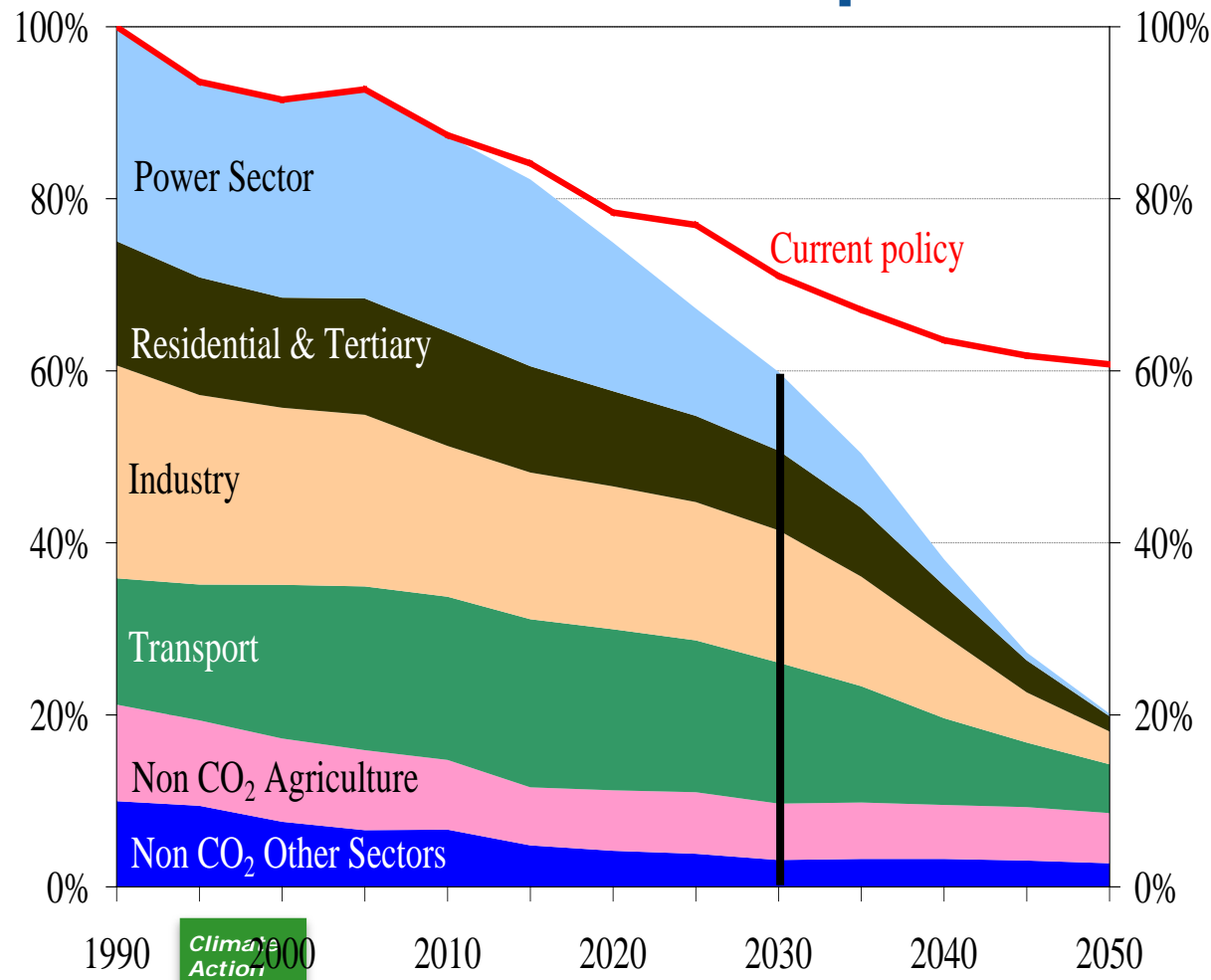
The EU beyond 2020: A 2050 Low-Emission Roadmap...

80% domestic reduction in 2020 is feasible

- with currently available technologies,
- with behavioural change only induced through prices
- if all economic sectors contribute to a varying degree & pace.

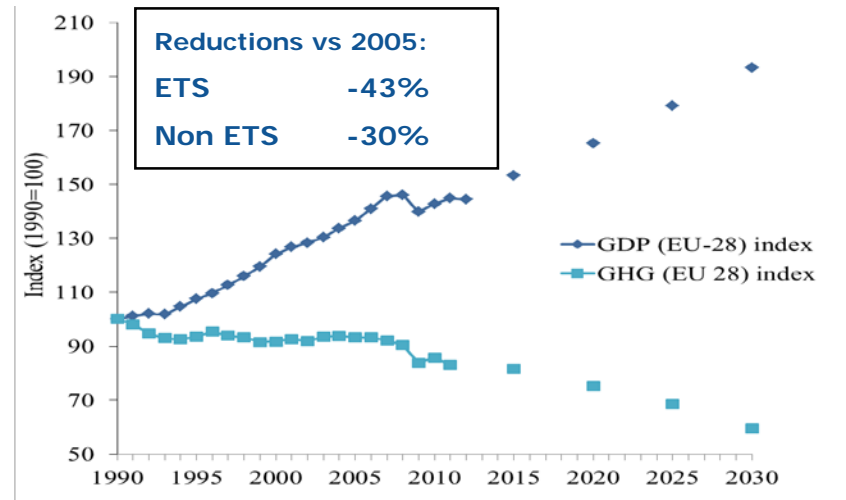
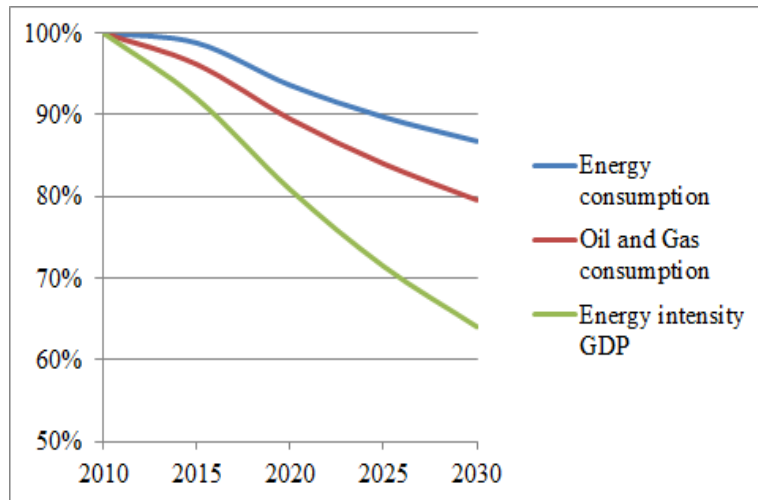
Efficient pathway and milestones:

- 25% in 2020
- 40% in 2030
- 60% in 2040



...delivering a range of benefits

- Decoupling of Gross Domestic Product growth from Greenhouse Gas Emissions will continue

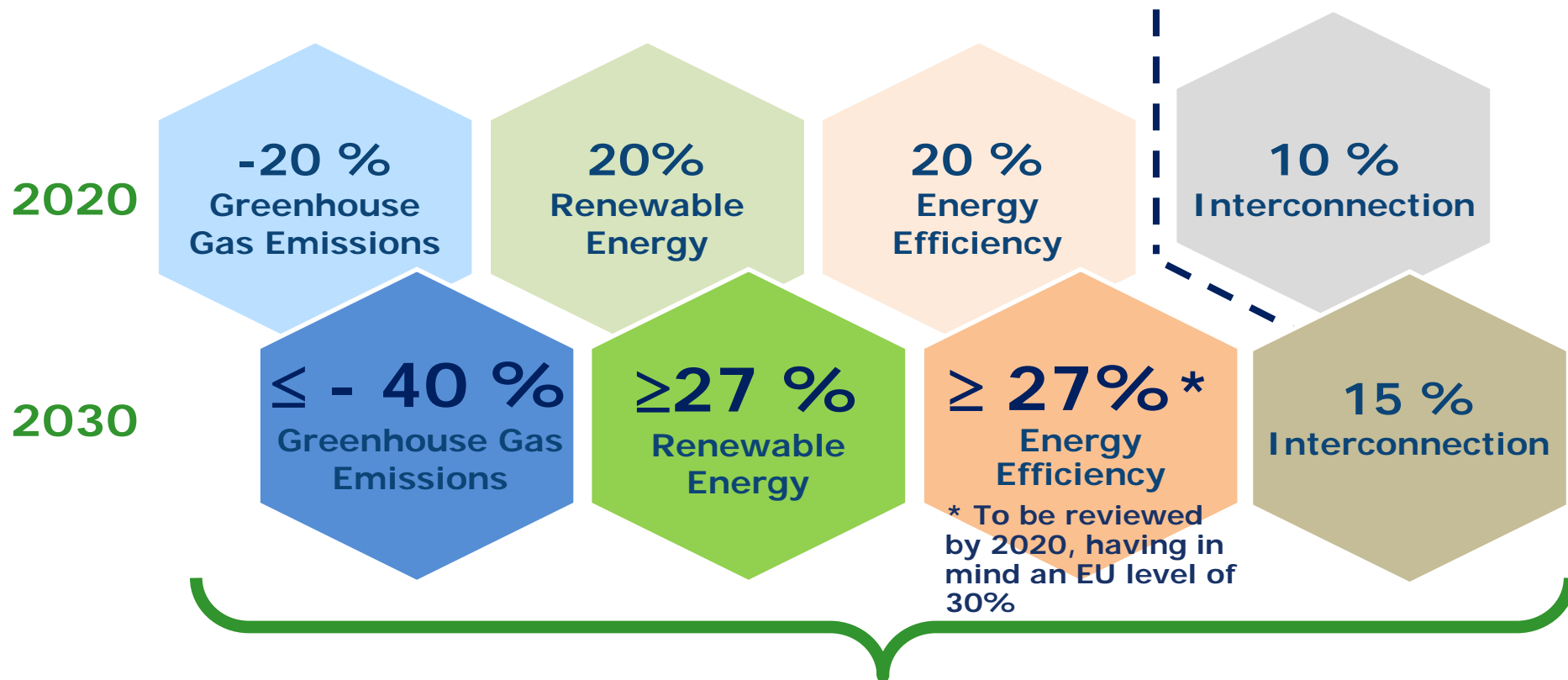


- Fuel savings:** additional € 18 billion fuel per year next 2 decades
- Energy security:** additional 11% cut in energy imports in 2030
- Innovation:** jobs & growth
- Health and air pollution benefits:** €7-13.5 billion in 2030



Elements relevant for EU INDC	
Type	Absolute reduction from base year
Coverage	Economy wide
Scope	CO2, methane, nitrous oxide, F-gases
Base year	1990
Period	2021-2030 inclusive
Reduction level	At least 40% in 2030
Agriculture, forestry, other land uses included	Yes
% of Emissions covered	100%
Net Contribution of International Market Based Mechanisms	No contribution from international credits.
Planning process	EUCO Oct.2014; legislative proposals
Fair and ambitious	In-line with transition to a low emissions economy. Consistent with IPCC's assessment of reductions required from developed countries as a group of 80-95% by 2050. EU emissions peaked already.

2030 Framework for Climate and Energy



New governance system + indicators

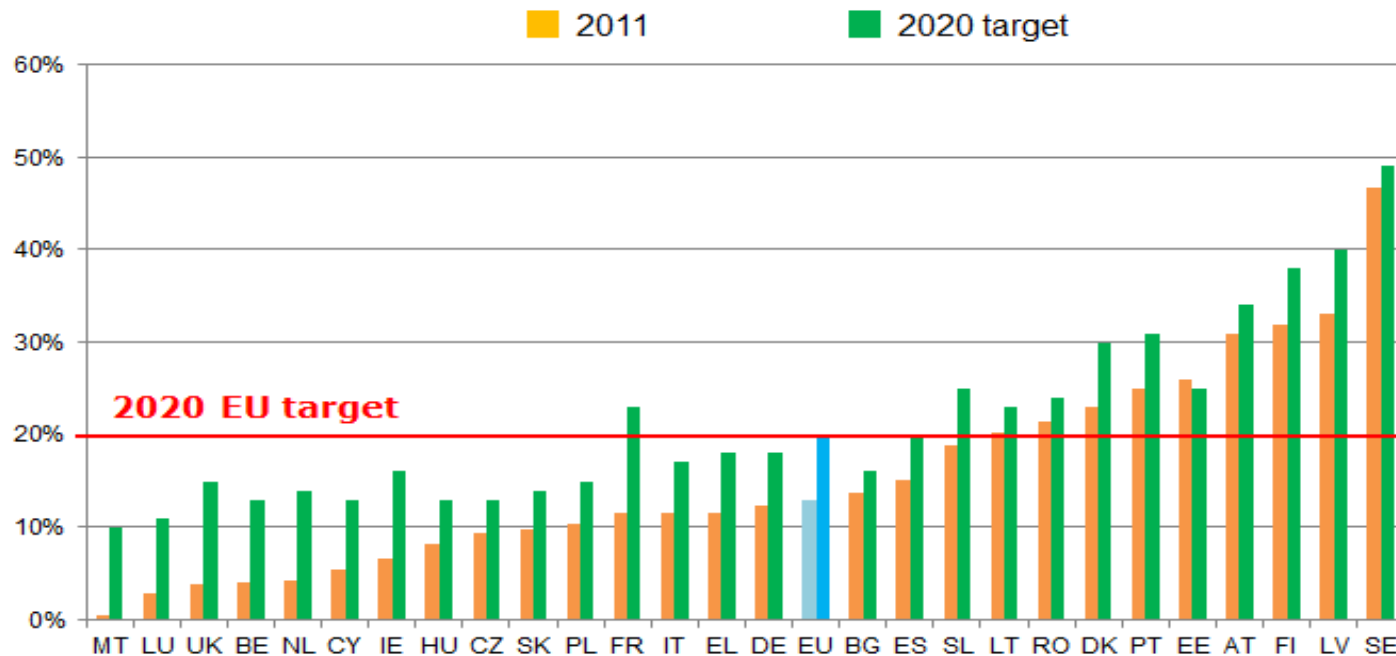
EU ETS

- **Market stability reserve**
- **2030 target: -43%** compared to 2005
 - **Applicable to power sector, manufacturing industry**
- **Innovation fund:** 400 mio EUAs for renewables, CCS, industry
- **Modernisation fund:** around 300 mio EUAs for energy systems in lower income Member States
- **Optional free allocation to power sector:** continued for lower income Member States

Emission reductions in the non-ETS: targets and principles

- **2030 target: -30%** compared to 2005
 - **Applicable to transport, households, agriculture**
- Member State targets **range** between **0% and -40%**
- Target setting guided by **GDP/capita**, supplemented by cost effectiveness criteria.
- **LULUCF** to be integrated

Progress towards 2020 RES target

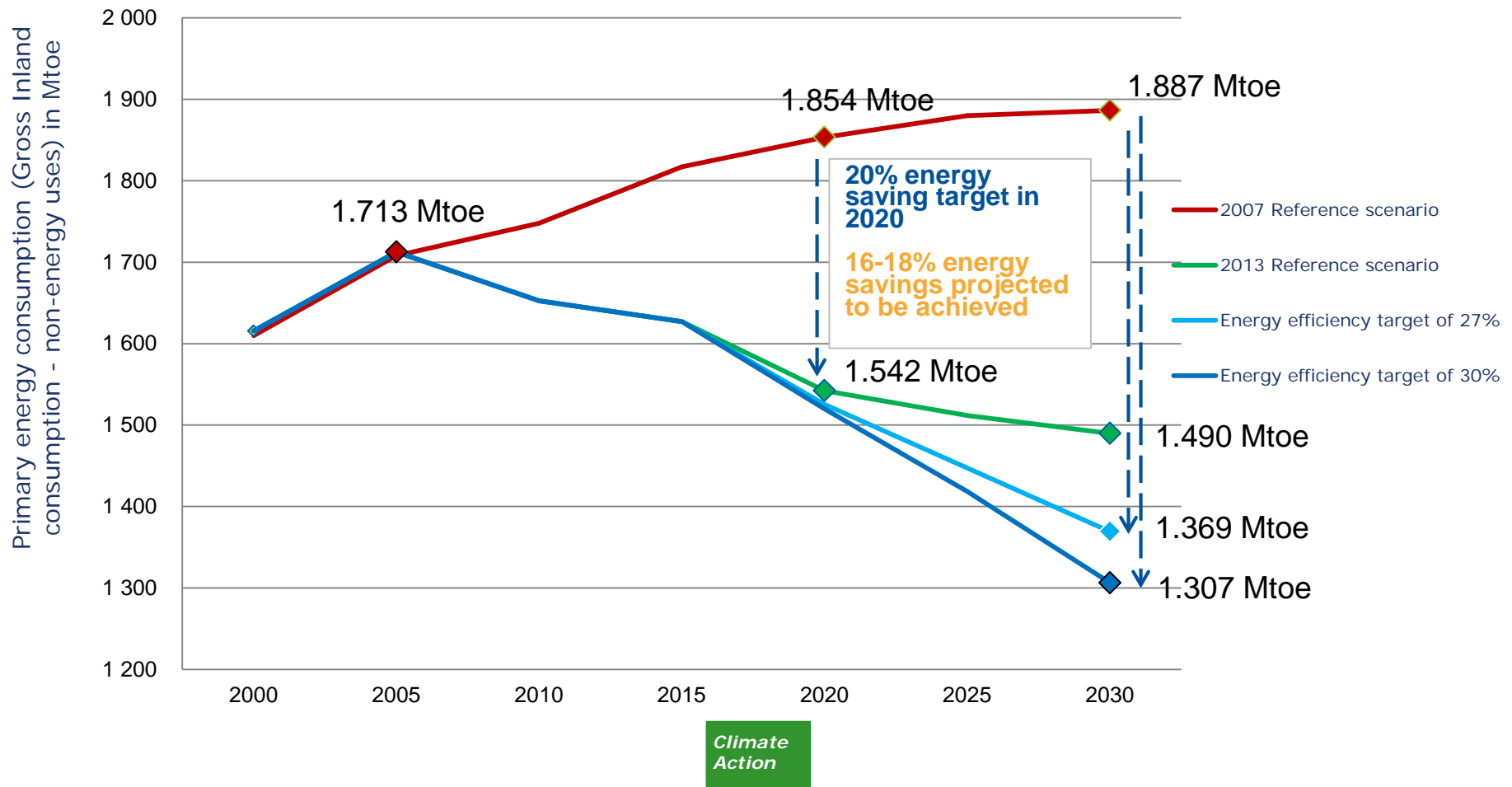


Source: Eurostat

Renewable sources accounted for 14% of the EU final energy consumption in 2013

Energy efficiency:

EU 2030 target: at least 27% of energy savings



Conclusions: factors of success for INDCs

- ➡ **Looking beyond climate:** EU climate and energy policy until 2030 will continue to deliver a range of benefits, e.g. security of supply, single market, decarbonisation, air quality and health, innovation and RTD
- ➡ **Securing cost efficient implementation:**
 - ➡ Identify cost efficient long-term mitigation potential
 - ➡ Promote market based policy instruments, e.g. ETS
- ➡ **Involving main stakeholders:** allow for early and broad consultation