



EU climate policy: implications for the enlargement process

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Outline

- 1) *The EU climate and energy challenges : where we stand?*
 - **2030 climate and energy framework**
- 2) *The EU climate and energy challenges : what next?*
 - i. **International negotiations**
 - ii. **Domestic implementation**
 - iii. **Adaptation**
- 3) *What are the implications of current policy processes for the EU Candidate Countries and Potential Candidates*

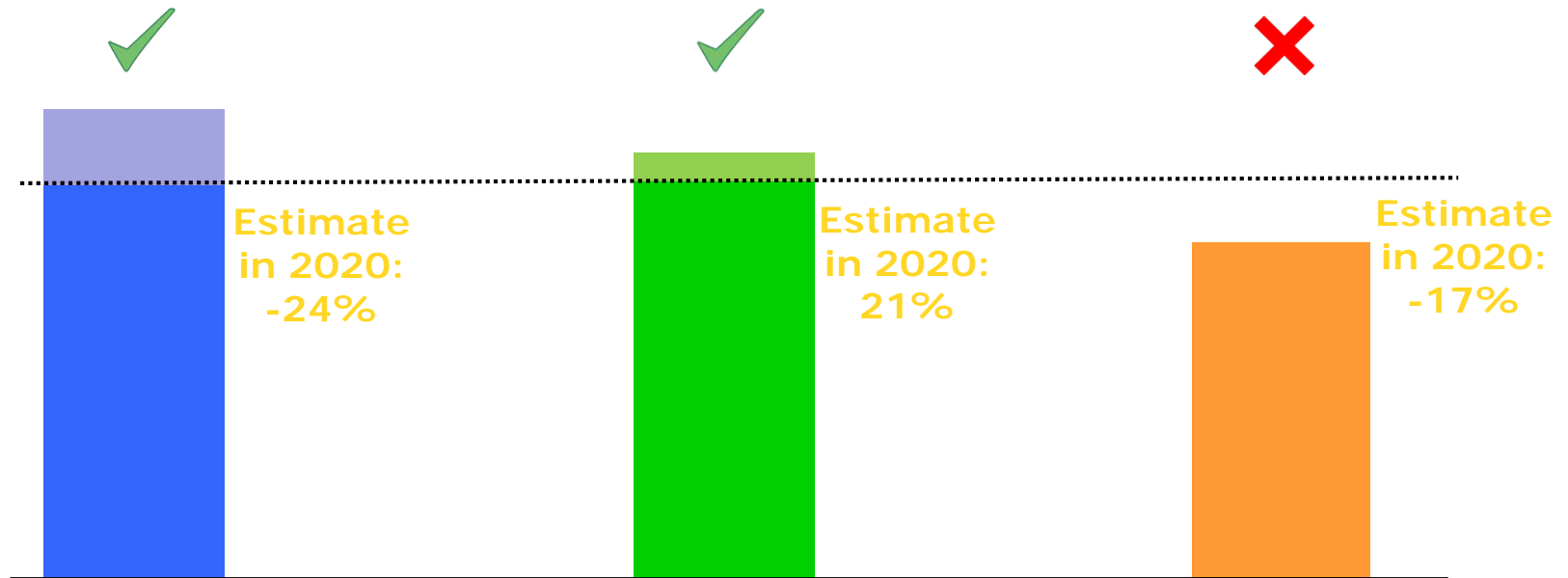
1) EU climate and energy challenges: Where we stand?

Europe is on its way to meeting its 2020 targets

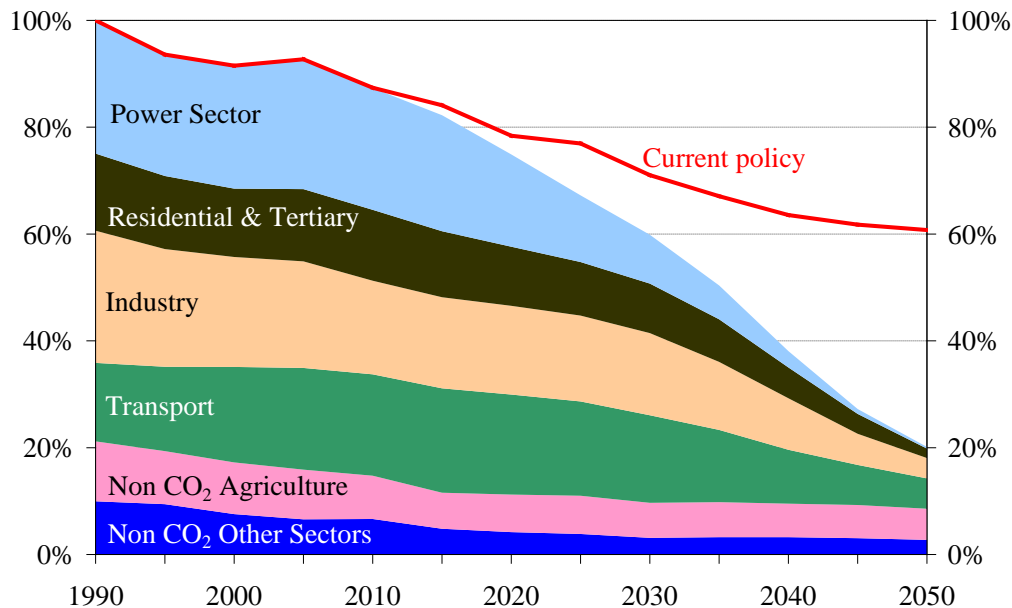
Reduce greenhouse
gas levels by 20%

Increase share of
renewables to 20%

Reduce energy
consumption by 20%



2050 Roadmap: EU long-term planning



- **Cost-efficient pathway to 80% domestic reductions in 2050**
- **40% domestic reductions by 2030**
- Cut emissions below 2t/per cap by 2050, down from current 7.5 t/per cap
- Improving the GHG intensity of EU economy by another 50% in the next two decades

<i>with 40% by 2030 target</i>	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 ₂ e)	5684	5216	4847	4260	3379	1960	1146
Emission intensity (t of CO ₂ /M€10)		487,2	394,0	299,0	202,7	102,3	52,2
Energy related CO ₂ 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?

Reducing Greenhouse Gas Emissions (GHG) **cost-effectively**
2050 objective: -80% to -95% GHG

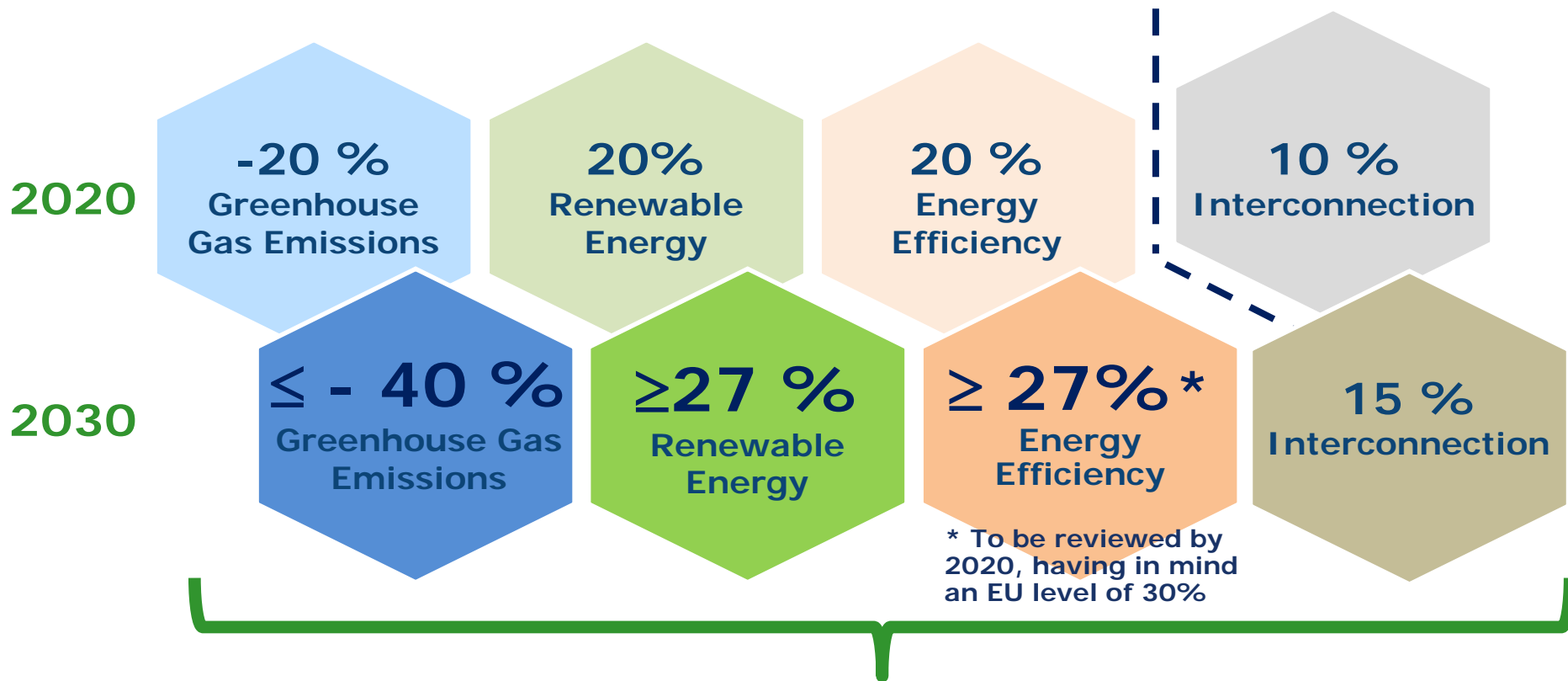
Security of EU energy supplies
EU oil and gas imports:
€ 400 billion per year

EU contribution to 2015 international climate agreement

Competitive energy and new growth and jobs
Eco-industry already employs 4.2 million

2030 Framework for Climate and Energy

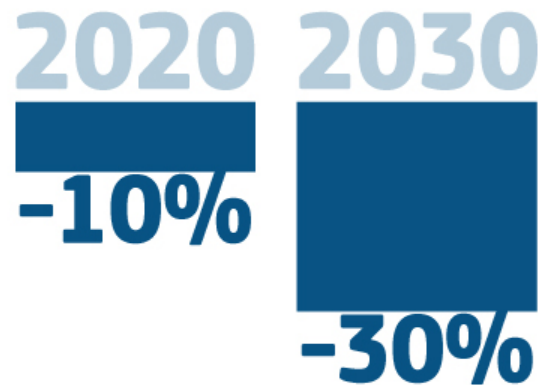
Agreed headline targets



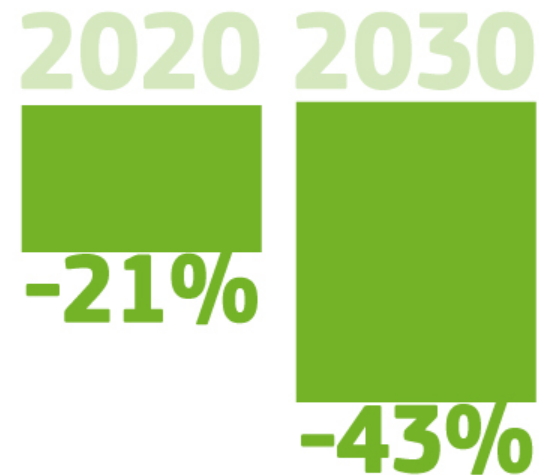
New governance system + indicators

Emission reductions in ETS and non-ETS

**EMISSION
REDUCTIONS
IN ETS AND
NON-ETS**
COMPARED TO 2005



**NON
ETS**
INCLUDING
ROAD TRANSPORT,
HOUSING,
AGRICULTURE
etc.



ETS
INCLUDING
POWER/ENERGY
SECTOR & INDUSTRY

Next steps

Policy initiative on **new governance system**

Implementation of **European Energy Security Strategy**

Implementation of provisions for **EU ETS**:

- Pending Commission proposal for **Market Stability Reserve**
- **Legislative proposals** for post-2020 period

Setting of **Member States targets** in the **non-ETS sectors**, including policy on how to include **Land Use, Land Use Change and Forestry**

2) EU climate and energy challenges: What next?

2)i. International negotiations

Warsaw Outcome

- All Parties "to initiate or intensify domestic preparations for their intended nationally determined contributions"
- "to communicate them well in advance of Paris, "by the first quarter of 2015 by those Parties ready to do so"
- All Parties treated in the same manner

The Lima "Call for Climate Action"

1

Intended nationally determined contributions (INDCs):

What will contributions look like? How to ensure they are ambitious and fair?

Scope of INDCs: mitigation INDCs expected to be more ambitious than "current undertakings"; adaptation voluntary; finance not included

Upfront information: detailed and quantifiable, but voluntary; Parties expected to explain why its INDC is "fair and ambitious"

No mandated international assessment before Paris, but INDCs will be published, synthesized and aggregated by 1 Nov 2015

2

Elements of the 2015 Agreement:

How will the agreement balance mitigation, adaptation, and finance; address differentiation; and ensure transparency, accountability and dynamism?

Balance of elements: with INDCs focused on mitigation, pressure will be on to strengthen adaptation and finance provisions, including possible long term goals

Differentiation: 2015 Agreement must reflect CBDR-RC "in light of different national circumstances" (implications unclear)

Legal form and Legal Force: rules on MRV, compliance, and a cycle for strengthening commitments over time, remain to be agreed

3

Pre-2020 climate action:

Can we close the "ambition gap"?

Pre-2020 process will remain solutions-oriented and focused on efforts of all Parties

Policy options identified by technical analysis will be promoted through UNFCCC institutions and international cooperation, including TEC, CDM, GEF and GCF

Political will promoted through annual high-level events

4

Other important issues with pre-2020 and post-2020 relevance

First ever **Multilateral Assessment** took place in a constructive atmosphere

Warsaw International Mechanism on **Loss and Damage** from climate change impacts soon operational

Second Kyoto commitment period rulebook could not be completed

'Socialising' between Parties key in order to build trust and promote convergence



Intended nationally determined contributions

From nationally determined to collectively ambitious and individually fair – in time for Paris

Clarity

- INDCs to contain intended **emissions reductions** efforts and a "**progression beyond current undertaking**"
- May also contain an **adaptation** component
- **No finance or support** component (no constraint on conditionality)
- To be accompanied by **upfront information: detailed and quantifiable, but voluntary**

Fairness

- INDC content is **nationally determined**
- The **least developed countries** and **small island developing States** may communicate strategies, plans and actions (rather than targets)
- Upfront information to describe **how Parties consider their contributions fair** and ambitious
- **Support available** for preparation of INDCs

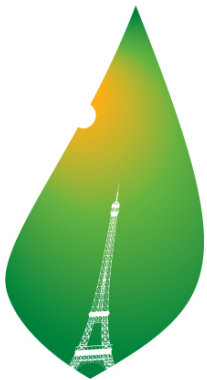
Ambition before Paris

- Parties invited again to communicate INDCs "**well in advance of**" Paris
- **No mandated multilateral assessment** or consideration phase
- Instead, **multitude of assessments** to be expected in different context thanks to transparency of INDCs
- Synthesis report on the **aggregate effect** of INDCs will be produced by 1 November 2015

- **Organising robust assessments with wide involvement will be key in 2015**
 - **Need for continued political pressure to incentivise ambition**

Commission Communication

The Paris Protocol – a blueprint for tackling global climate change beyond 2020



PARIS2015
UN CLIMATE CHANGE CONFERENCE
COP21•CMP11

EU vision for the Paris protocol

- Long term goal
- Fair, ambitious and legally binding mitigation commitments for all Parties
- Dynamism - 5 yearly reviews to increase ambition
- Robust common rules for transparency and accountability
- Climate resilient sustainable development
- Efficient and effective implementation and cooperation

The EU's intended nationally determined contribution

Adopted by the Council & submitted to UNFCCC:

- Binding at least 40% domestic reduction in GHG emissions by 2030 compared to 1990
- Absolute reduction from base year emissions
- Economy wide, 100% of emissions
- Policy on how to include Land Use, Land Use Change and Forestry will be established
- Fair and ambitious

Major upcoming meetings

20-21 April (tbc)	Major Economies Forum, Washington DC.
11-12 May	G7 Energy Ministers, Hamburg.
17-19 May	Petersberg Dialogue, Berlin.
7-8 June	G7 Summit, Germany.
3-14 June	Negotiating session on the 2015 Agreement and other issues, Bonn.
13-17 July (tbc)	Major Economies Forum.
31 August – 4 September; 19–23 October	Negotiating sessions on the 2015 Agreement, Bonn.
30 November – 11 December	COP21, Paris.

Climate high on the agenda of EU bilateral relations

2)ii. Domestic implementation

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.

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

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 2015*

New and Planned Policy Initiatives and Legislation (4)

CO₂/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
- Political agreement reached by the Council in December 2014 following the positive vote in European Parliament's Environment Committee

2)iii. 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) What are the implications of current policy processes for the EU Candidate Countries and Potential Candidates

Key challenges

- In line with Warsaw and Lima COPs 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

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.)

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**
- **Inter-institutional coordination**
- **Legislative framework**

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).



THANK YOU!

2030

FRAMEWORKfor**CLIMATE&ENERGY**
#EU2030

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