

# Climate Change and the European Policy Framework

Sarajevo, September 8, 2016

WELCOME!



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# Climate Change and the European Policy Framework

Monique Voogt, coordinator WG ETS



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# This training

**Organisation:** Training in the frame of the ECRAN programme, in close cooperation with the national Ministries and the Chamber of Commerce. Supported by EC programme TAIEX.

**Main aim:** learn on the national climate change policy framework within the European context.

## Specific aims:

- learning on the emissions trading system (ETS)
- upcoming requirements and possible opportunities for operators



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# The trainers/experts

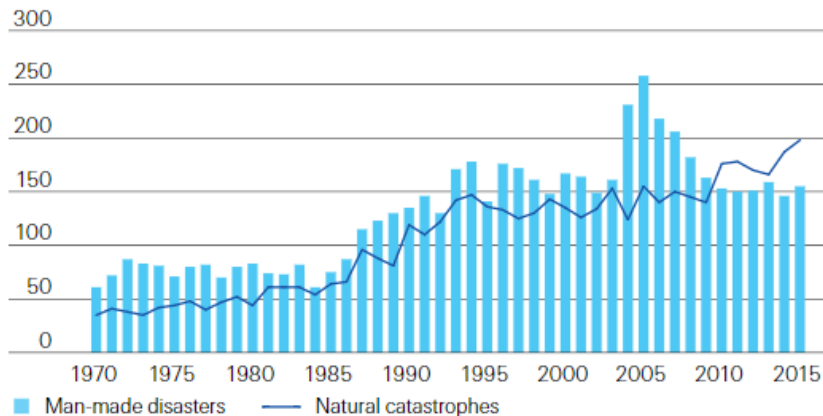
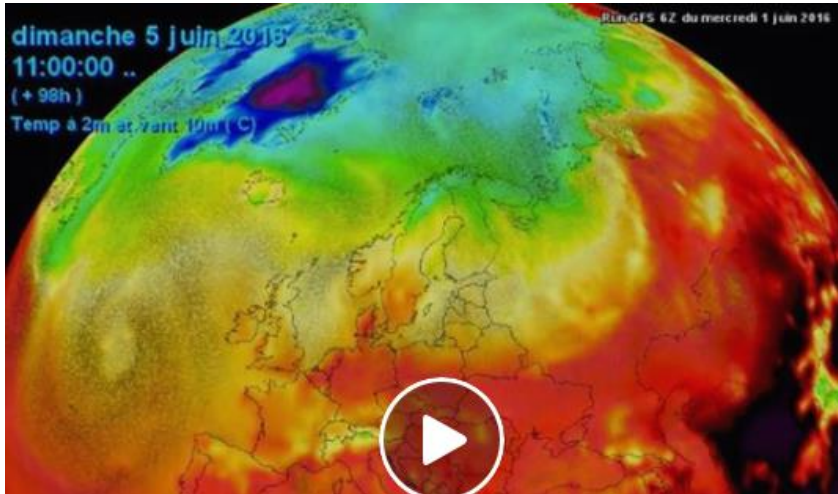


- Ms. Nives Nared – expert EU ETS from the Slovenian Ministry of Agriculture and the Environment
- Mr. Tomaž Vuk, Salonit Anhovo, Slovenia
- Ms. Madlena Ožanić – expert EU ETS from the Ministry of Environment and Nature Protection of Croatia
- Ms. Maja Zec, INA Industrija nafte, Croatia
- Ms. Heidi de Prez - expert EU ETS from the Walloon Air & Climate Agency
- ECRAN expert Monique Voogt



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# The challenges of climate change



Source: Swiss Re Economic Research & Consulting and Cat Perils.



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# Other needs to shift to a low-carbon economy

**LOW FOSSIL  
RESOURCES**

**HIGH ENERGY  
COSTS**

**LOW ENERGY  
INTENSITY**

**RESOURCE  
SCARCITY**

**WHY?**

**NEW GROWTH  
SECTORS**

**GLOBAL WARMING**

**COSTS OF CLIMATE  
RISKS**

**JOB CREATION**

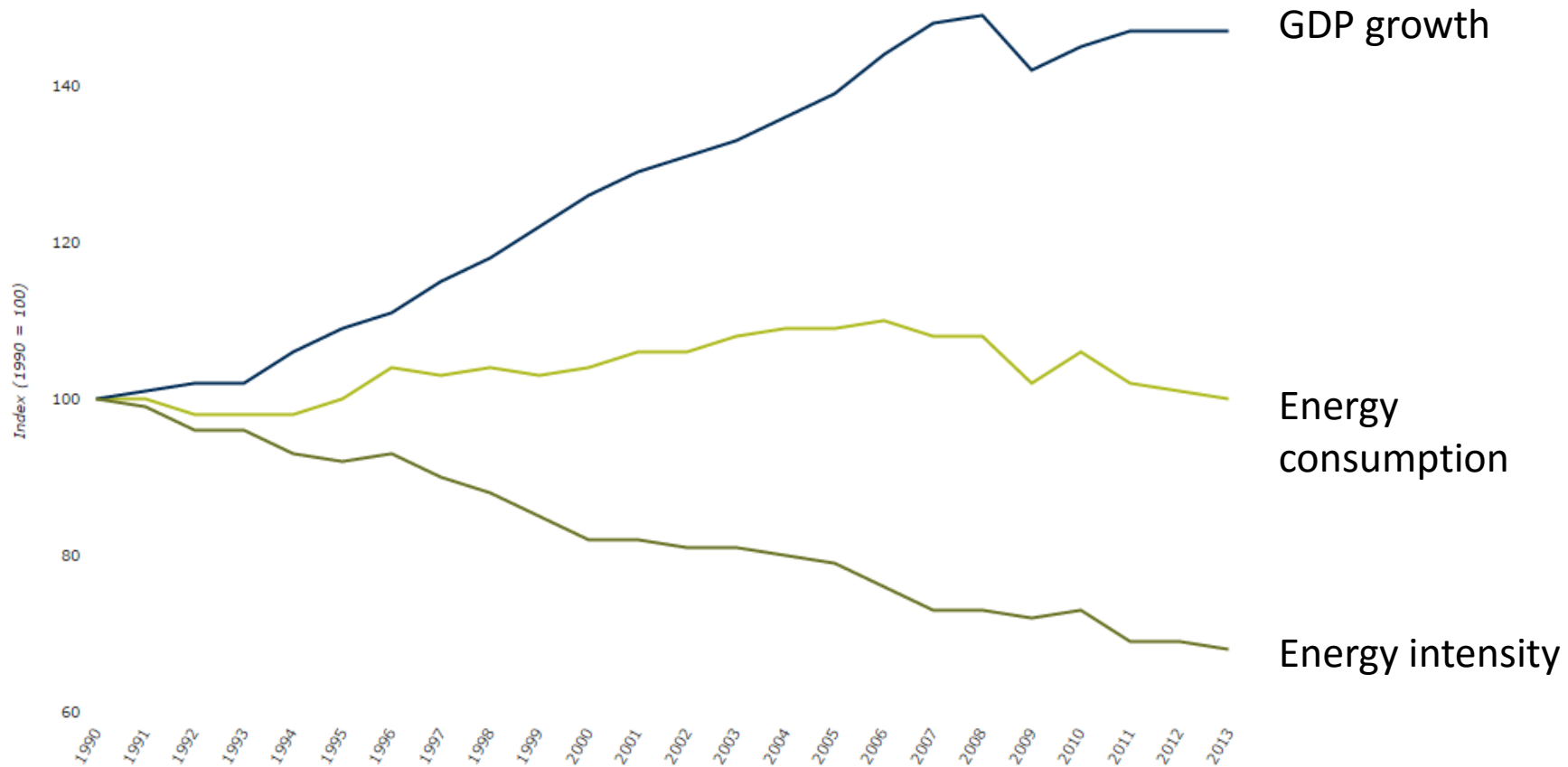


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# So can changes really be made?



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# The Paris agreement

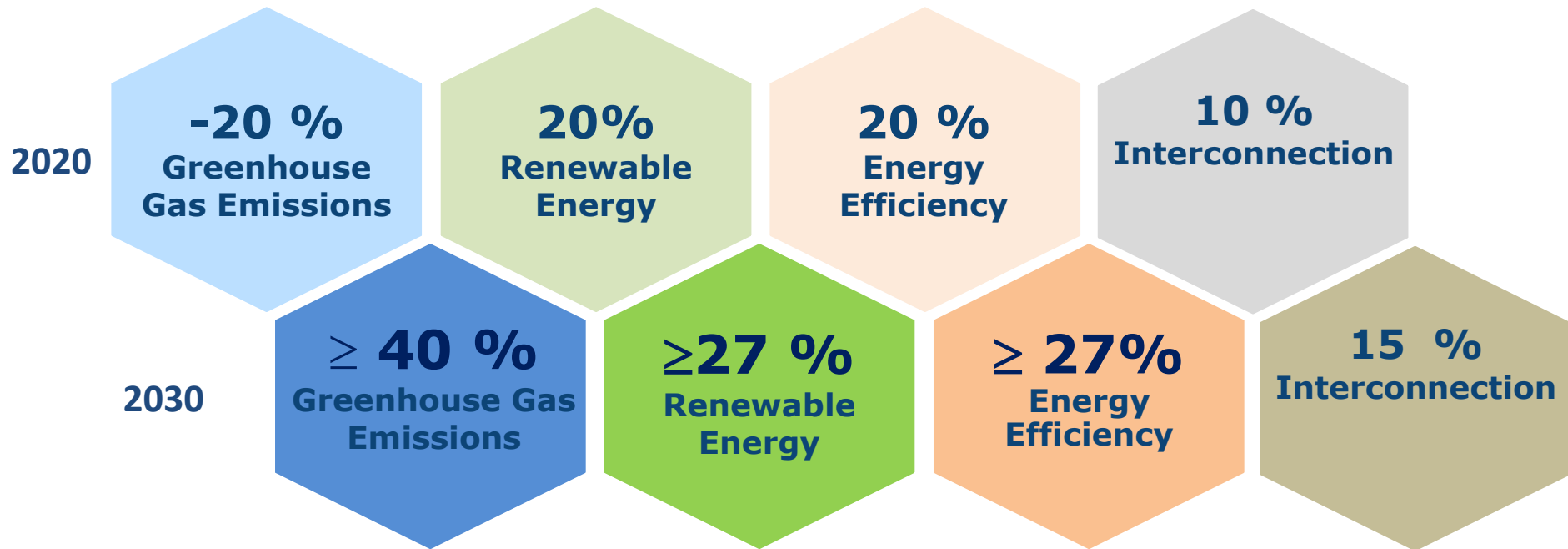
- Adopted by 195 countries (November 2015)
- Aim: keep increase global avg. temperature well below 2°C (and to 1.5°C if possible)
- Global GHG emissions to peak as soon as possible, and rapidly reducing from 2050
- September 3<sup>rd</sup>: ratified by China and the US



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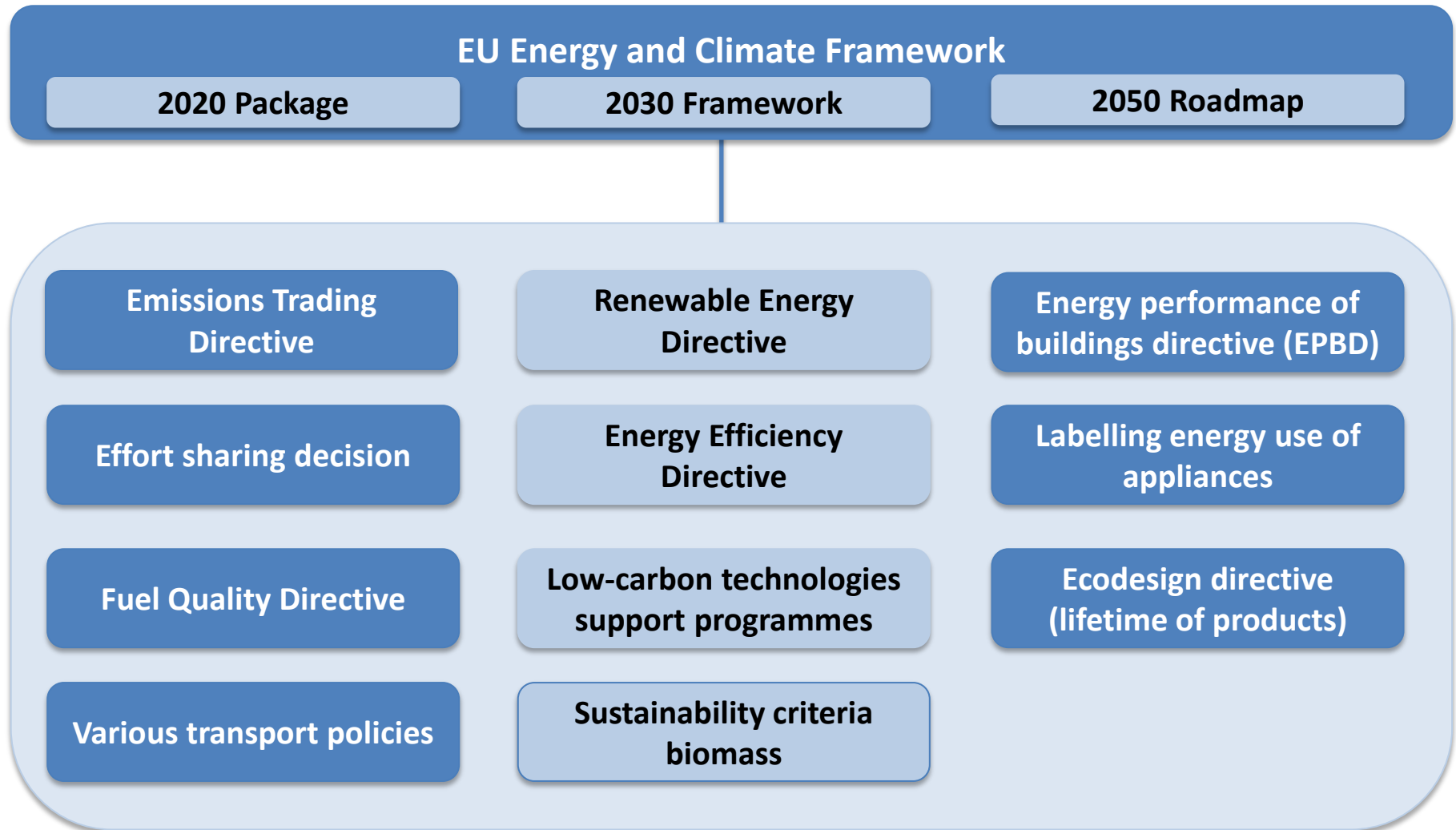
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# How is climate change addressed in EU?



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# EU energy & climate policy framework



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# Main types of climate policies

## Non-market based

Standards & Regulations

Reporting requirements

Removing barriers

Information/voluntary measures

Technology support

## Market based

Taxes

Emissions Trading

Removing perverse incentives

Liability rules

Deposit refund



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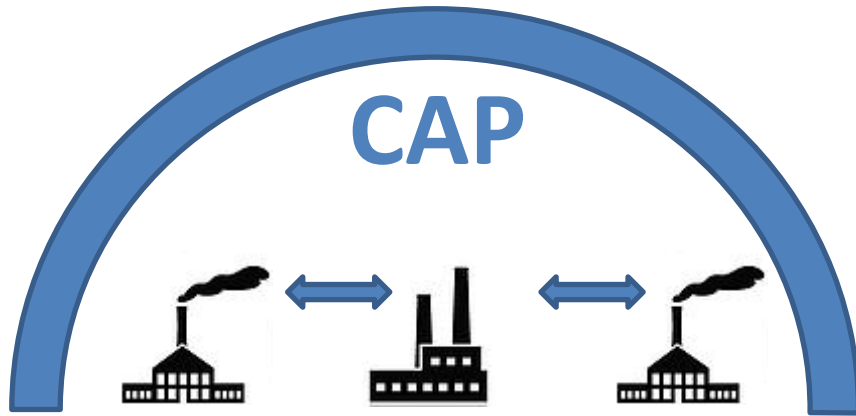
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# So why ETS?

- It is a market-based instrument
- It is a volume measure, not a price measure
  - Gives certainty on the achieved results (emissions below the cap)
  - Leaves price setting up to the market
  - Politically it is easier to adopt in the EU
- Creates a financial incentive to invest in low-carbon technologies
- Includes flexibility to reduce now or later, via trading mechanism
- Ensures that emissions are cut where they cost the least



# What is ETS?



## Cap & Trade

- Total emissions in the system are capped
- Flexibility on where reductions take place
- Allows individual companies to choose: abate or trade

# What is the EU-ETS?

- operates in 31 countries (EU-28 +IS+LI+NO)
- Covers more than 11,000 installations
- Targets power stations, energy-intensive industry and airline companies
- Covers  $\pm$  45% of the EU's GHG emissions.



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# Climate Change and the European Policy Framework

Sheets will be available at:

[www.ecranetwork.org](http://www.ecranetwork.org)



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