



Multilateral Assessment European Union

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EU commitments

- ❑ Pledge under the Convention for EU and its Member States:

Unconditional quantified economy wide emission reduction target of **20% by 2020, compared to 1990 levels**

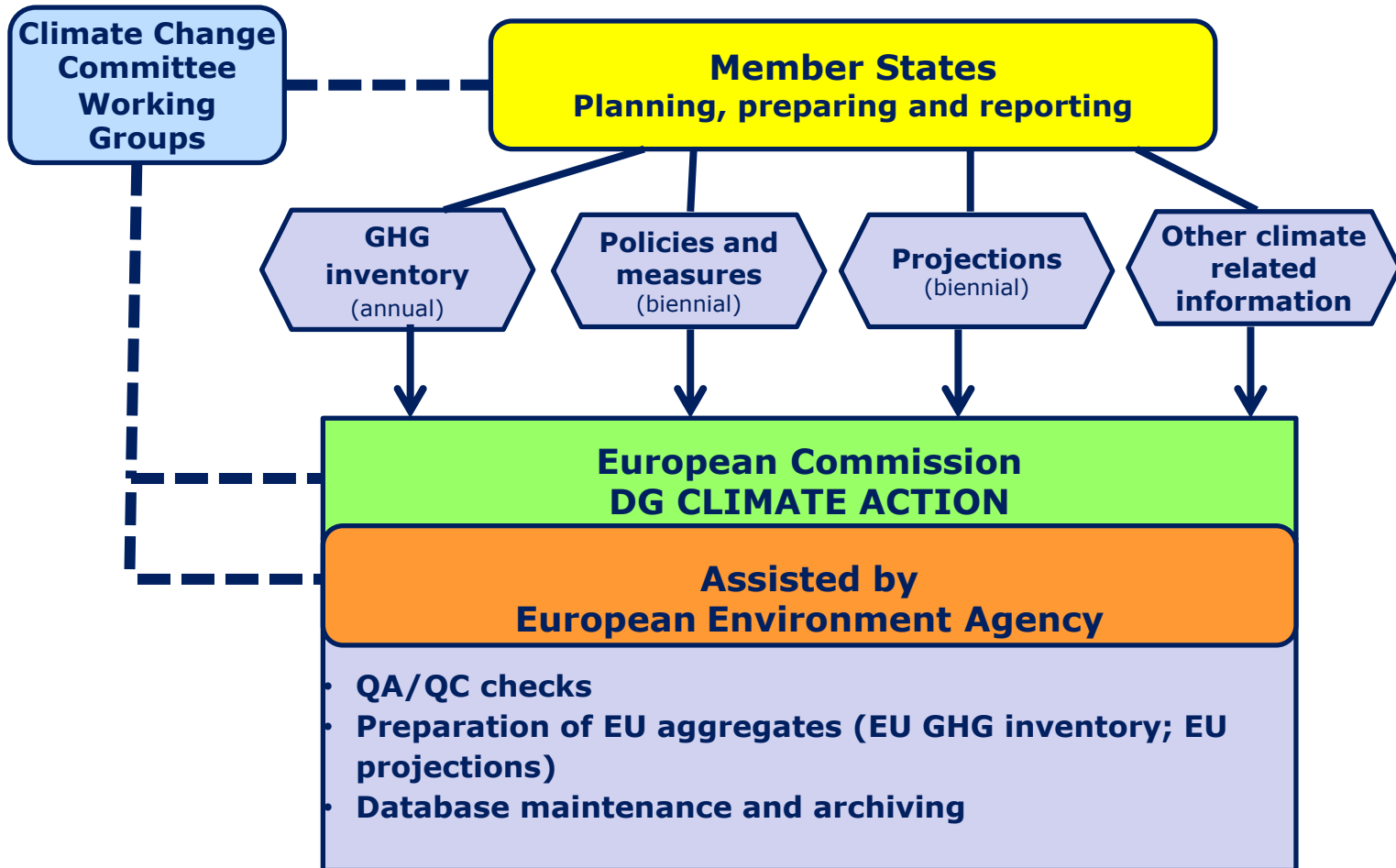
- ❑ Binding commitment under **Kyoto Protocol** (implementing CP2 since 1 January 2013, EU ratification instrument deposited 21 December 2017)

Second Commitment Period: joint commitment of the **EU, its Member States and Iceland** to reduce average annual emissions during **2013-2020 by 20%** compared to base year

- ❑ **NDC** under the Paris Agreement – The EU and its Member States are committed to a binding target of an **at least 40% domestic reduction in greenhouse gas emissions by 2030 compared to 1990**

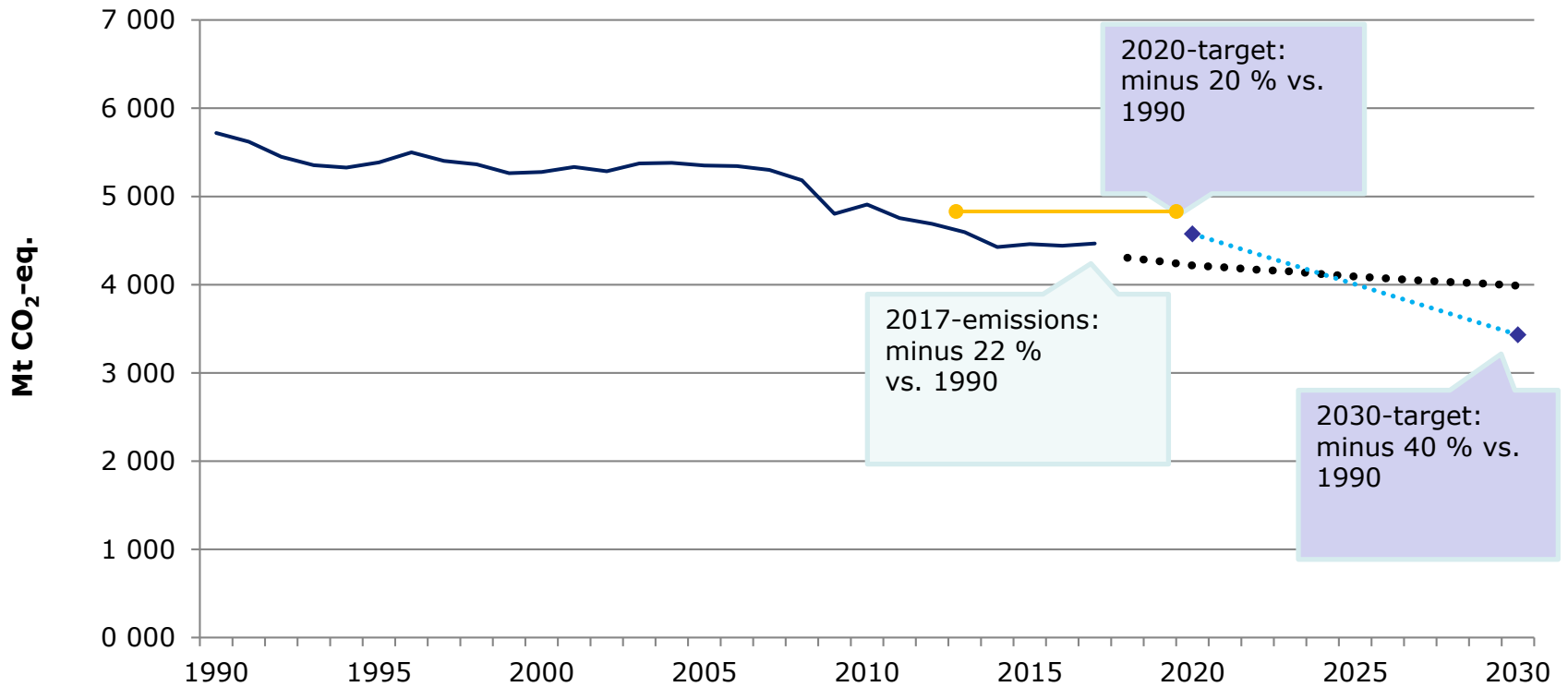


EU reporting arrangements





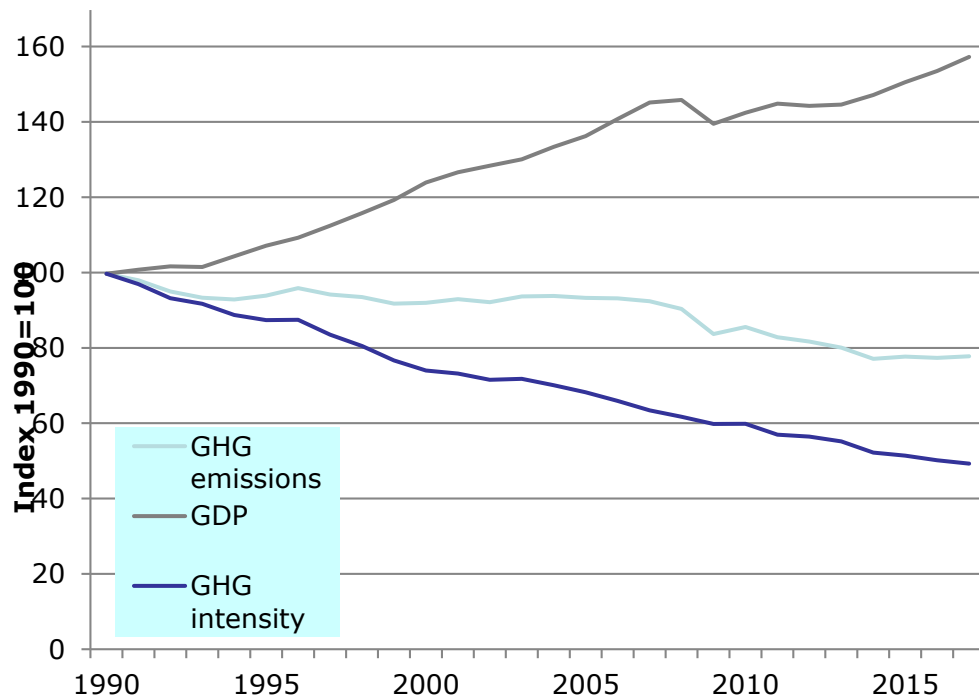
EU on track to meet its 2020 targets



- Total EU greenhouse gas emissions (historical)
- Total EU greenhouse gas emissions (projection with existing measures)
- ◆ 2020 and 2030 targets
- Kyoto Protocol 2CP budget



Growing EU economy while reducing GHG emissions



Decoupling between economic growth and GHG emissions:

- ✓ EU GDP growth 1990-2017: **58%**
- ✓ Emission decreased by **22%** during the same period
- ✓ GHG emission intensity reduced by half over the period

EU is one of the most **energy efficient economies** in the world

Reduction GHG emissions per capita: from 12 to less than 9 tonnes/capita



Architecture of the EU 2020 climate and energy policies

- ❑ Binding EU 20% GHG emission reduction by **2020** compared to 1990
 - EU Emission Trading System (around 40% of total emissions): EU wide cap based on harmonized rules: -21 % compared to 2005.
 - Individual Member States 2020 targets for non-ETS sectors (MS policies together with EU legislation such as on CO2 standards from cars and vans, F-Gas, energy efficiency in buildings): -10 % compared to 2005.
- ❑ Binding 20% share of renewable energies in EU gross total final energy consumption combined with national binding targets
- ❑ Non-binding 20% energy saving through more efficient energy use, from transformation to distribution to the final consumer



Progress towards EU NDC: at least 40 % domestic reduction in GHG emissions by 2030 compared to 1990

- ❑ Total EU emissions in 2030 (WEM) estimated at –30 % compared to 1990 levels ⇒ **already halfway, MS finalise draft National Energy and Climate Plans by the end of 2018.**
- ❑ Key EU **policies and targets for 2030** to achieve EU NDC:
 - EU Emissions Trading System (ETS): **–43%** compared to 2005
 - Effort sharing targets for Member States for non-ETS sectors: collectively **–30%** compared to 2005
 - Land Use, Land Use Change and Forestry (LULUCF): **“no debit”**
 - *Proposals for cars/vans, trucks CO₂ standards for 2025 and 2030 (negotiations on-going)*
- ❑ **At least 32%** share of renewable energies in EU gross total final energy consumption by 2030
- ❑ **At least 32.5%** energy saving by 2030 with more efficient energy use

Three pillars of EU climate policy reducing greenhouse gas emissions until 2030

Emissions trading

-43 %

*Including:
Power/Energy Sector
and Industry, Aviation*



**Max 100
MtCO₂eq**

Non-emissions trading

-30 %

Effort sharing

-30 %

*Including: road
transport,
buildings,
waste,
agriculture non
CO₂*



**Full
flexibility**



**Max 280
MtCO₂eq**

**Land use,
land use
change,
forestry**

"No-Debit"



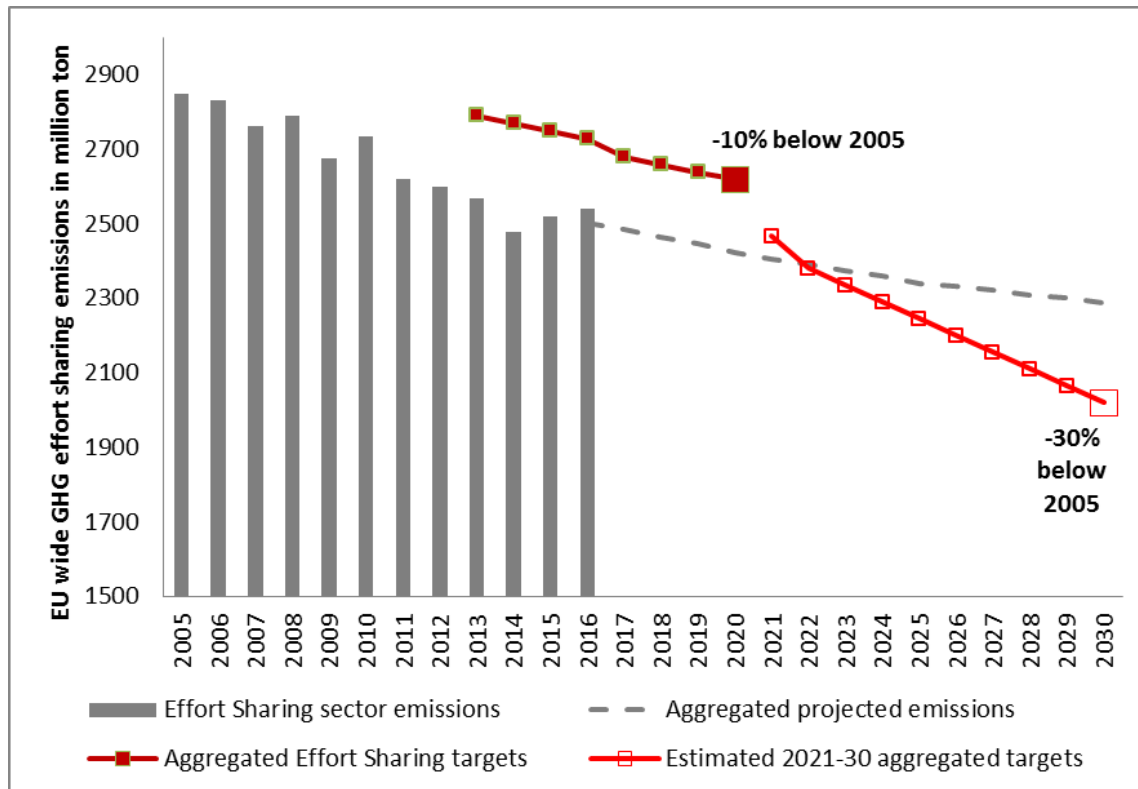
ETS revision – key elements

- ❑ **Annual linear reduction factor tightened** from -1.74% to -**2.2% as of 2021**, i.e. annual cap reduces by 48Mt CO₂e a year instead of 38Mt.
- ❑ Cumulated **surplus of allowances addressed** strengthening Market Stability Reserve (MSR) starting in 2019:
 - ❑ Doubling percentage of the surplus to be placed in the reserve from 2019 to 2023 (from 12 % to 24 %)
 - ❑ From 2023 quantity of allowances in the reserve above previous year's auction level **will no longer be valid**
- ❑ Supporting low-carbon transition:
 - ❑ **Innovation Fund** for demonstration of innovative technologies in energy and industrial sector (market value of 450 million emission allowances)
 - ❑ **Modernisation Fund** for power sector and wider energy systems and facilitating a just transition in carbon-dependent regions in 10 lower-income EU Member States
 - ❑ **So far, 80% of the EUR 5.6 billion** earned from ETS auctions used for climate finance – domestic and international



Effort Sharing 2030 – Member States' objectives

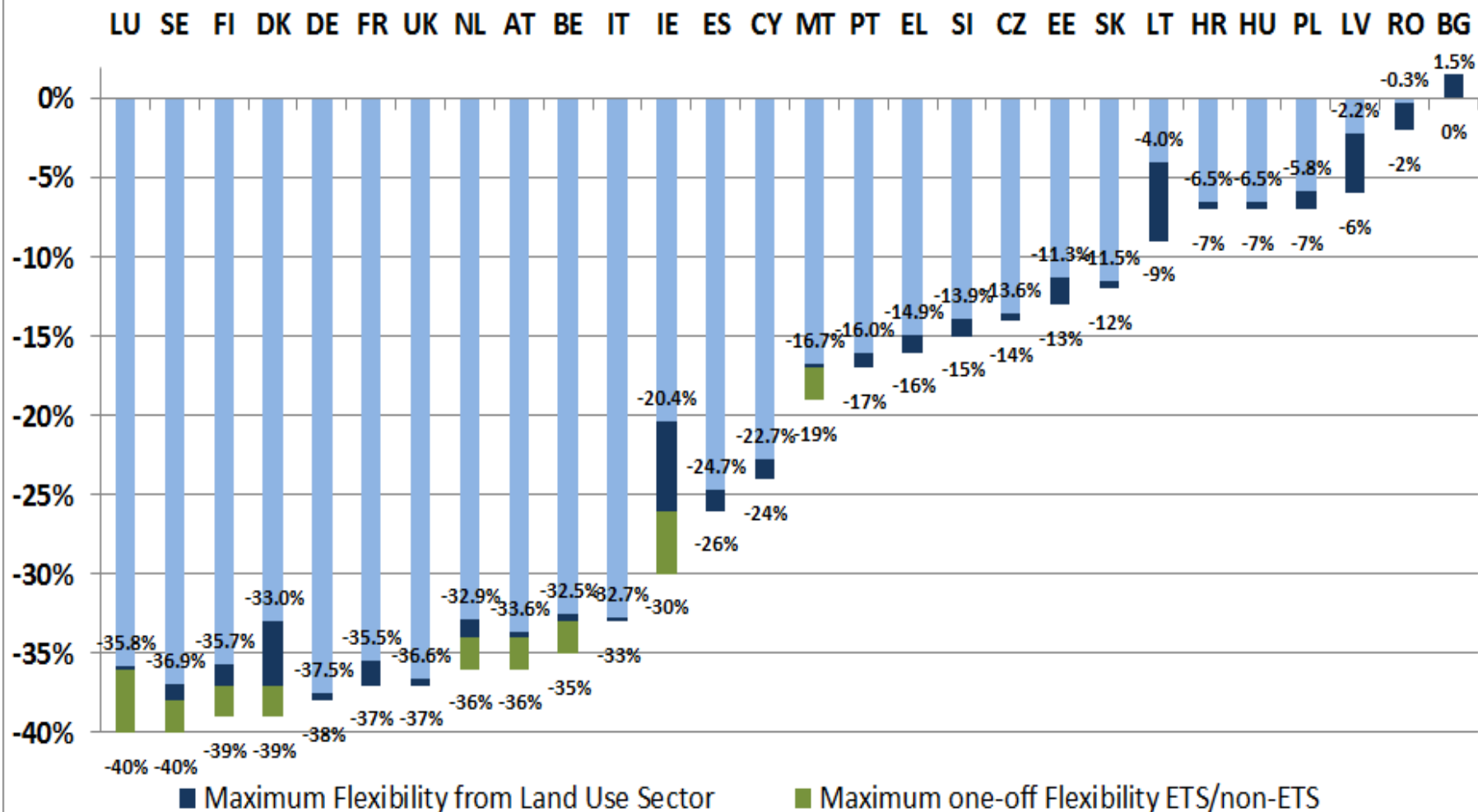
Achieve 30% reduction in emissions below 2005 for non-ETS sectors



- **GDP based targets**, adjusted to mitigation potential, taking into account different economic capacities of Member States
- Increasing **flexibilities**, taking into account differences in cost-effective mitigation potentials between Member States
- ensures environmental integrity so that the EU 2030 **GHG target is met**



ESR targets and maximum one-off ETS/non-ETS and land use flexibilities





Concluding remarks

- ❑ Successful policies at EU and national levels to cut emissions and meet 2020 targets
- ❑ Significant benefits (decoupling, energy savings, green growth, air quality, jobs)
- ❑ EU gears up for 2030 – Governance Regulation requires Member States to finalise 2030 National Energy and Climate Plans (NECPs) and long term strategies by end 2019
- ❑ and towards 2050 – **EU long term strategy**



**Thank you very much
for your attention**