Session SBI51 (2019)

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Multilateral Assessment A compiliation of questions to - and answers by - Belgium, exported 1 December 2019, by the UNFCCC secretariat Question by Turkey at Monday, 30 September 2019

Category: Progress towards the achievement of its quantified economy-wide emission reduction target

Type: Before 30 September

Title: The implementation of a distance-based road charging system for heavy goods vehicles

Could Belgium provide more information on the implementation of its distance-base road charging system for heavy good vehicles? How has Belgium resolved the charging of foreign heavy goods vehicles traveling throughout Belgium? What could be the lessons learned from its implementation phase so far? Additionally, what are the key issues for a successful implementation of a similar distance-based road system for similar vehicles in another country in light of Belgium's experience?

Answer by Belgium, Monday, 18 November 2019

Since April 1 2016, the Kilometer Charge applies for heavy goods vehicles of over 3.5 tons and for N1 trucks with body code BC. All these trucks need to be equipped with an On Board Unit (OBU) that is constantly switched-on when they drive on public roads. This OBU will only charge the kilometers driven on paying toll roads.

The tariffs of the toll roads have been fixed by the governments of the regions. The tariffs have been fixed on the basis of three parameters:

- The Gross Vehicle Weight: the kilometer charge is due for trucks of more than 3.5 GVW. When the pulling vehicle has a GVW of more than 3.5 tons, the Gross Combination Weight Rating (GCWR) needs to be declared (trailer included when the truck is equipped with a towbar)
- The Euro emission norm: this is the emission norm that categorizes the level of pollution of the truck.
- The type of toll road: all roads in Belgium are toll roads. Most of them are charged at 0tariff. Other have a paying tariff. Every Region defines itself its paying toll roads.

The OBU can be ordered only at the service providers of the Kilometer Charge.

Lessons are that you need a strong independent institution that accredit and regulate the different operators.

Question by Turkey at Monday, 30 September 2019

Category: Progress towards the achievement of its quantified economy-wide emission reduction target

Type: Before 30 September

Title: The implementation of policy and measure(s) related to N2O chemical production and green b

Could Belgium provide more information of the efficiency level of its policy related to N₂O from chemical production and green bonds? What could be the lessons learned from its implementation phase so far?

Answer by Belgium, Monday, 18 November 2019

Reduction of N2O emissions of caprolactam production (measure IP-C02 in CTF table 3):

The N_2O emissions are generated by a caprolactam production site located in the Flemish Region. The Flemish Government conducted a study in cooperation with this company to identify additional cost efficient measures on the site. On the basis of the results of this study, the Flemish government choose (in collaboration with the company concerned) to impose emission limits in the environmental permit of the company as of 01/01/2020 for both N2O and NOx emissions. This was the only policy option that insured that both types of emissions would be reduced. To achieve these emission limits, the company has to implement the identified measures that will reduce both emission types by the end of 2019. At the moment it's too early to assess the efficiency level in practice. However, based on the emission limits an emission reduction of 30% is expected compared with the emission level of the previous years.

The company will also conduct further studies into the technical feasibility of other measures by January 2018. This additional study will be one of the sources by which the government will decide if the emissions limits will be strengthened further as of 01/01/2022. In the draft National Energy and Climate plan (published at the end of 2018) the potential emission reduction, in a scenario with additional measures, was estimated at 60%-75% compared with the emission level of the previous years.

Green bonds:

Belgium's NC7/BR3 do not refer to green bonds as the Belgian Green OLO initiative was launched in 2018.

In February 2018, the Belgian federal government issued its inaugural Green OLO for a total amount of EUR 4.5 bn. This issuance provided an opportunity to take up a leading role in developing the Green Bond market globally and in particular in Belgium. The Green OLO offered the opportunity to be a turning point for the Belgian Green Bond market and to pave the way for potential public and private issuers, by providing large and liquid benchmark, and by stimulating the Belgian investor demand (Belgian retail investors being eligible to invest). The potential Eligible Green Expenditures for the years 2017 and 2018 funded by the inaugural Green OLO were identified by an inter-ministerial workgroup across five different sectors: Clean Transportation; Energy Efficiency; Renewable Energy; Circular Economy; and Living Resources and Land Use. Moreover, three distinct types of expenditures were withheld: Investment expenditures, operating expenditures as well as tax expenditures. For each type, a specific methodology has been developed to track the identified amounts

complying with the eligibility criteria set out in the Green OLO Framework.

The actual allocation of proceeds of the bond issuance to the selected Eligible Green Expenditures is done in steps:

- first, all Eligible Green Expenditures for both 2017 and 2018 are collected. A distinction is made between estimates (E) and confirmed amounts (F);
- subsequently, the 2018 issuance proceeds (4.5 billion euros) are attributed to the 2017 expenditures considering 95% of all confirmed amounts and 75% of the estimates. This percentage prevents future corrections should final fiscal expenditures fall short of estimates.
- finally, the remaining issuance proceeds are proportionally (again considering 95% of all confirmed amounts and 75% of the estimates) attributed to the 2018 expenditures.

This sequential process provides sufficient certainty that the Green OLO proceeds are allocated to selected and disbursed Eligible Green Expenditures.

This exercise allowed the actual allocation of the revenues of the Green OLO to government expenditures for an amount of:

- 2.379,3 million EUR in 2017
- 2.120,7 million EUR in 2018

Upon the issuance of its inaugural Green OLO, and the subscription to the Green Bonds Principles, Belgium committed itself to provide two levels of reporting: the management and allocation of bond proceeds and the assessment of environmental impact of Eligible Green Expenditures. The allocation report was published in June 2019 and can be downloaded here: https://www.debtagency.be/sites/default/files/content/download/files/groene_olo_-__allocatierapport_2018.pdf. The Environmental impact report will be published in December 2019.

Question by Japan at Monday, 30 September 2019 Category: Progress towards the achievement of its quantified economy-wide emission reduction target Type: Before 30 September Title: New federal MRV law

P.49 of Belgium's NC7/BR3 mentions that a new federal MRV law, which puts in place the framework for MRV and reporting requirement for federal policies was recently adopted. Could Belgium provide more details of this law, including who should report the data, what type of data need to be reported, and who is responsible for receiving the data, and how these data will be utilized?

The law establishes the framework for the reporting, monitoring and evaluation of federal policies and measures in the field of climate change and ozone layer protection. It was adopted in October 2016 and completed by a royal decree adopted in 2018 which lays down the concrete arrangements for collecting data, monitoring and evaluating federal actions.

It designates the responsible body within the federal administration and establishes an obligation for the services (at federal level) in possession of relevant data and information to communicate them annually in order to ensure the timeliness, transparency, accuracy, coherence, comparability and completeness of the information reported.

The main data collected include reference approach regarding greenhouse gas inventories, policies and measures, projections, national adaptation actions, financial and technological support to developing countries, use of auctioning revenues, biennial reports, national communications and fluorinated greenhouse gases.

The responsible department coordinates the reporting, compiles the data and transmits the reports to the federal government. It is also responsible for analyzing the functioning of the federal reporting system and proposing measures to the government to improve it.

Question by Japan at Monday, 30 September 2019

Category: Progress towards the achievement of its quantified economy-wide emission reduction target

Type: Before 30 September

Title: Evaluation of PaMs by regional and federal states and the difference with NCC evaluation

According to p.48 of Belgium's NC7/BR3, regional and federal states are committed to yearly evaluate the progress and implementation of the PaMs.

We understand that one of the outcomes of the evaluations is the report "Development of impact assessment methods for policies and measures carried out within the framework of the federal climate policy - Evaluation

of emission reductions Report"

- How are the results of these evaluation report utilized? Are these report used for update and/or development of new or additional climate change policy?

- What is the difference between this evaluation process and the evaluation of PaMs carried out by National Climate Commission (NCC) mentioned in p.46 of Belgium's NC7/BR3 ?

Answer by Belgium, Monday, 18 November 2019

The outcomes of the report "Development of impact assessment methods for policies and measures carried out within the framework of the federal climate policy – Evaluation of emission reductions Report" are used to assess the efficiency of federal policies and

measures and play therefore an important role when identifying new policies/measures.

The National Climate Commission do not carry out study to evaluate the effects of PAMs.

The regions report annually to the NCC their final greenhouse gas emissions from non-ETS sectors while the federal authority reports to the NCC on the implementation of its obligations (estimated by the report "Development of impact assessment methods for policies and measures carried out within the framework of the federal climate policy – Evaluation of emission reductions Report")

Question by New Zealand at Monday, 30 September 2019 Category: Progress towards the achievement of its quantified economy-wide emission reduction target Type: Before 30 September Title: EU Common Agriculture Policy

In its NC7/BR3, Belgium mentions the shift from dairy cattle to lower emitting brood cattle as a trend linked to the EU Common Agriculture Policy. Has Belgium made any other significant changes to its agricultural policies linked to the EU Common Agriculture Policy and, in particular, the system of direct payments to farmers who meet certain environmental/sustainable requirements? Can Belgium elaborate on the success of the EU Common Agriculture Policy domestically to date?

Answer by Belgium, Monday, 18 November 2019

Linked to the EU Common Agriculture Policy, Flanders has introduced measures with a climate mitigation impact under:

- direct payments cross-compliance Good Agricultural and Environmental Conditions: erosion - soil organic matter - manure action plan.
- direct payments greening: crop diversification, permanent grassland ratio, ecological focus area: cover crops, fallow, legumes, agro-forestry, short coppice, landscape elements, ...
- voluntary coupled support: protein crops, low-input crops, ...
- agri-environmental measures: protein crops, reduced fertilization, erosion, buffer strips, agro-forestry/afforestation, ...
- support for investments in physical assets on farms: smart farming, energy saving and renewable energy, manure management and biogas, ...
- farm advisory system (climate, energy, ...)
- ...

Question by New Zealand at Monday, 30 September 2019 Category: Assumptions, conditions and methodologies related to the attainment of its quantified economy-wide emission reduction target Type: Before 30 September Title: Impact of Policies and Measures

Belgium, in its NC7/BR3, has not reported on the estimated mitigation impacts for all policies and measures. Is Belgium considering increasing the number of policies and measures for which a mitigation impact is estimated in the next reporting cycle? What are the barriers and opportunities to doing so?

Answer by Belgium, Monday, 18 November 2019

Information reported in BE NC7/BR3 on estimated mitigation impacts of PAMs come from studies that have been launched to estimate the greenhouse gas reductions achieved by implementation of the federal policies and measures contained in the National Climate Plan, which are the responsibility of federal departments.

Priority is given to reporting the PaMs that make the most significant contribution to Belgium's emission reduction efforts.

To date, regions have focused their efforts mainly on developing consistent projection scenarios rather than on assessing their individual PaMs. Since the publication of its NC7 and BR3, the focus of work on PaMs has been on prospective studies to develop the National Energy Climate Plan (NECP) 2030.

In the future, the numbers of PAMs assessed will increase in the framework of the new NECP.

Question by Republic of Korea at Monday, 30 September 2019 Category: Progress towards the achievement of its quantified economy-wide emission reduction target Type: Before 30 September Title: 2020 GHG reduction target

Please clarify the 2020 target for ETS and non-ETS (ESD) in terms of their shares in reduction rate and GHG emissions and clarify the relationship between the 2020 EU target and Belgium target in terms of GHG emissions.

The 2020 target is divided between the sectors covered by the EU Emission Trading System (EU ETS) and sectors under the Effort Sharing Decision (ESD). Consequently, the EU 2020 Climate and Energy Package aims at :

- a 21% reduction target compared to 2005 for emissions covered by the ETS (including domestic and international aviation),

- and a 10% reduction target compared to 2005 for non-ETS sectors, shared between the 28 Member States through the differentiated national GHG targets included in the ESD.

Under the revised EU ETS Directive, one single EU ETS cap covers the EU Member States and the three participating non-EU Member States (Norway, Iceland and Liechtenstein), i.e. there are no further differentiated caps by country. For allowances allocated to the EU ETS sectors, annual caps have been set for the period from 2013 to 2020; these decrease by 1.74% annually, starting from the average level of allowances issued by Member States for the second trading period (2008–2012). The annual caps imply interim targets for emission reductions in sectors covered by the EU ETS for each year until 2020.

Non-ETS emissions are addressed under the Effort Sharing Decision (ESD). The ESD covers emissions from all sources outside the EU ETS including transport (excluding domestic and international aviation, and international maritime transport), residential and commercial buildings, agriculture and waste.

While the EU ETS target is to be achieved by the EU as a whole, the ESD target was divided into national targets to be achieved individually by each Member State. The Effort-Sharing Decision (EC/406/2009) set national emission targets for 2020, expressed as percentage changes from 2005 levels. These changes have been transferred into binding quantified annual reduction targets for the period from 2013 to 2020, expressed in Annual Emission Allocations (AEAs).

Belgium has a commitment to reduce its greenhouse gas emissions in non-ETS sectors by 15% compared to 2005 emissions. The quantified annual reduction targets of Belgium are tightened from 78,379,825 tonnes of CO₂ equivalent in 2013, decreasing to 68,247,607 tonnes of CO₂ equivalent in 2020 (584,228,513 tonnes of CO₂ equivalent for the 2nd commitment period under the Kyoto Protocol).

Question by Republic of Korea at Monday, 30 September 2019 Category: Assumptions, conditions and methodologies related to the attainment of its quantified economy-wide emission reduction target Type: Before 30 September What is the reference (or BAU) level of GHG emissions for the Energy Efficiency Target in 2020?

Answer by Belgium, Monday, 18 November 2019

The EU Energy Efficiency Directive (2012/27/EU) set a 20% energy savings target by 2020 when compared to the projected use of energy in 2020. This objective translates into a saving of 368 million tons of oil equivalent (Mtoe) of primary energy (gross inland consumption minus non-energy uses) by 2020 compared to projected consumption in that year of 1842 Mtoe.

Question by Republic of Korea at Monday, 30 September 2019 Category: Progress towards the achievement of its quantified economy-wide emission reduction target Type: Before 30 September Title: Fuel switch

How Belgium would like to switch the solid fuels to gaseous fuels in electricity production and industry? And how does Belgium introduce the biomass in electricity production and/or industry sector(s)?

Answer by Belgium, Monday, 18 November 2019

There is no information provided in the NC7/BR3 stating that Belgium aims to switch from solid to gaseous fuels for electricity production and industry. However, an increased use of gaseous fuels (combined with a decreased use of liquid and solid fuels) is observed (as illustrated in figure 3.7). This is probably explained by combined effect of the EU Emission Trading System (EU ETS).

In addition, since 2017 coal is no longer consumed in CRF category 1A1a (production of electricity and heat) in Belgium. Only the use of blast furnace gas is still reported in this category under 'solid fuels'.

Emissions of blast furnace gas produced in the iron and steel companies and delivered to the electric power installations are also reported in this category 1A1a consistent with the

reporting in the regional energy balances.

Biomass is used for cogeneration and through biomethanization, also used for electricity production.

Due to the important impacts on air quality from biomass, the Brussels-Capital Region does not intend to promote the use of biomass in electricity production.

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