

# **The Paris Agreement and Energy Climate Policies in the EU A smart presentation**

**by**

**Franzjosef Schafhausen**

**Former Director General „Climate Change Policies, National, European  
and International Affairs“ - Federal Ministry for the Environment,  
Nature Conservation, Building and Nuclear Safety, Berlin**

**21st Reform Group Meeting**

**Prospects of Climate Change Policy and Green Finance –  
Low Carbon Strategies, Energy Plans and Implementation  
of the Paris Agreement**

**Salzburg, Austria**

# **Paris (COP 21 – 12th december 2015)**

# COP 21



# Very ambitious targets

- Long term target to limit global warming
- Holding the increase in the global average temperature to well below 2°C above pre industrial level...
- ...pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels
- Global target to limit greenhouse gas emissions
- Parties aim to reach global peaking of GHD-emissions as soon as possible...
- ...to undertake rapid reductions thereafter in accordance with best available science
- Create a balance between anthropogenic emissions by sources and removals by sinks of greenhouse gases in the second half of this century
- Support sustainable development and efforts to eradicate poverty

# **(Intended) Nationally Determined Contributions – (I)NDC's**

- **Mandatory: NDC's by each Party**
- **Mandatory: pursue domestic mitigation measures with the aim of achieving the targets of the NDC's**
- **Highest possible ambition**
- **CBDR in light of different national circumstances**
- **Concrete and qualified Climate Change targets for the industrialised world**
- **Encouraging all other countries to define comparable targets**
- **LDC's and SID's could develop climate Change strategies**
- **Co-benefits in the area of adaptation**
- **Developing countries will be assisted by the industrialised world**

# Mechanism of Ambition

**Necessary because the INCD's are not sufficient to meet the ultimate target – assumed corridor possibly 3,0 – 3,4 ° C**

- **Individual contributions based on global rules**
- **Comprehensive Climate Change Agreement – Contributions by all countries – „NDC's for all!“**
- **Review every five years – monitoring, adjustment intended – start 2018 -**
- **no way back**
- **stock taking worldwide**
- **review of the implementation of the Paris Agreement**

# Comparison between COP 3 and COP 21

	Paris	Kyoto
coverage	All Parties – creation of „one world“	Annex B Countries – industrialised world
targets	Clearly defined target on global average temperature rise – „...well below 2°C)...“ – orientation on 1.5° C by the end of the century	Emission reduction targets only for industrialised countries
adaptation	LULUCF included	Focus on mitigation
finance	Volume and sources clearly defined (annually 100 billion US\$ by 2020 provided be the industrialised countries)	not exactly defined
markets	Open for markets and market oriented instruments on a voluntary basis	Jl, CDM and ETS
dynamics	Ambition Mechanisms – start 2018 – review every five years – INDC’s as basis – „no way back“	no dynamic

# Paris – what does it require?

- **Global transformation to a „low carbon society and a low carbon economy“**
- **The window for fossil fuels is closing fast**
- **Invention of new consumption and production patterns – linkage to the SDG's**
- **Saving of limited resources and replacing limited resources (e.g. renewables, recycling)**
- **innovation and creativity**
- **improvement, development and implementation of resource saving technology, infrastructure.**
- **Behavior change of all actors**



# Paris – what does it require?

- **Development of National Action Plans to combat Climate Change**
- **Contributions by all sectors**
- **Cross sectoral approaches/Concepts (sector coupling)**
- **Transparent monitoring, reporting and verification**
- **Top down as well as bottom up approaches**
- **Linking supply side with demand side**

# The problem is...

- ...decisions have to be taken unanimously (196 States! That means decisions are usually taken on the „lowest common denominator“)
- ...decisions are usually not mandatory
- ...there are no sanctions – there is only one option if countries do not comply with their targets (NDCs): „naming and shaming“
- ...the implementation of the NDCs

**Europe**  
**Decision by the Heads of States (Council)**  
**October 2014 on an**  
**Energy and Climate Union**

# Very ambitious targets – decided by the Heads of States on 23./24.October 2014

Action field	mandatory	domestic	target	Begrenzung nach unten (mindestensG	Reference	Implementation
GHG	X	X	at least 40 %	X	1990	EU ETS 43 %/2005 ESD 30 %/2005
Renewables	X	X	at least 27 %	X		governance Konzept
Efficiency		X	at least 27 % Review to shift the ambition to 30 %	X	Against bau-projection	governance Konzept

# Fields of action

- **European Emissions Trading scheme covers 45 to 50 percent of EU's GHG-emissions**
- **Effort Sharing Decision (ESD) – private households, small consumers, industry, energy, transport, agriculture and forestry – within the responsibility of the Member States**

# The problem is...

- ...huge differences between the 28 (27 beyond BREXIT) Member States - EU is a kind of a micro cosmos\*
- ...some Member States are not prepared to decide on very ambitious targets and P&M's – except there is financial compensation or there are specific rules which are in line with the national policy but not in every case in line with the European needs
- In some cases there have to be unanimous decisions (e.g. taxes – in other cases not (e.g. ETS))

\*different traditions, different economic and social development, different lifestyles, different energy mix, different industrial structures, different power systems etc.

**What's about Germany?**

# Three main pillars


- **Ambitious targets and interim targets**
- **Packages of policies and measures covering all sectors to comply with the targets**
- **A transparent monitoring scheme**



# The process

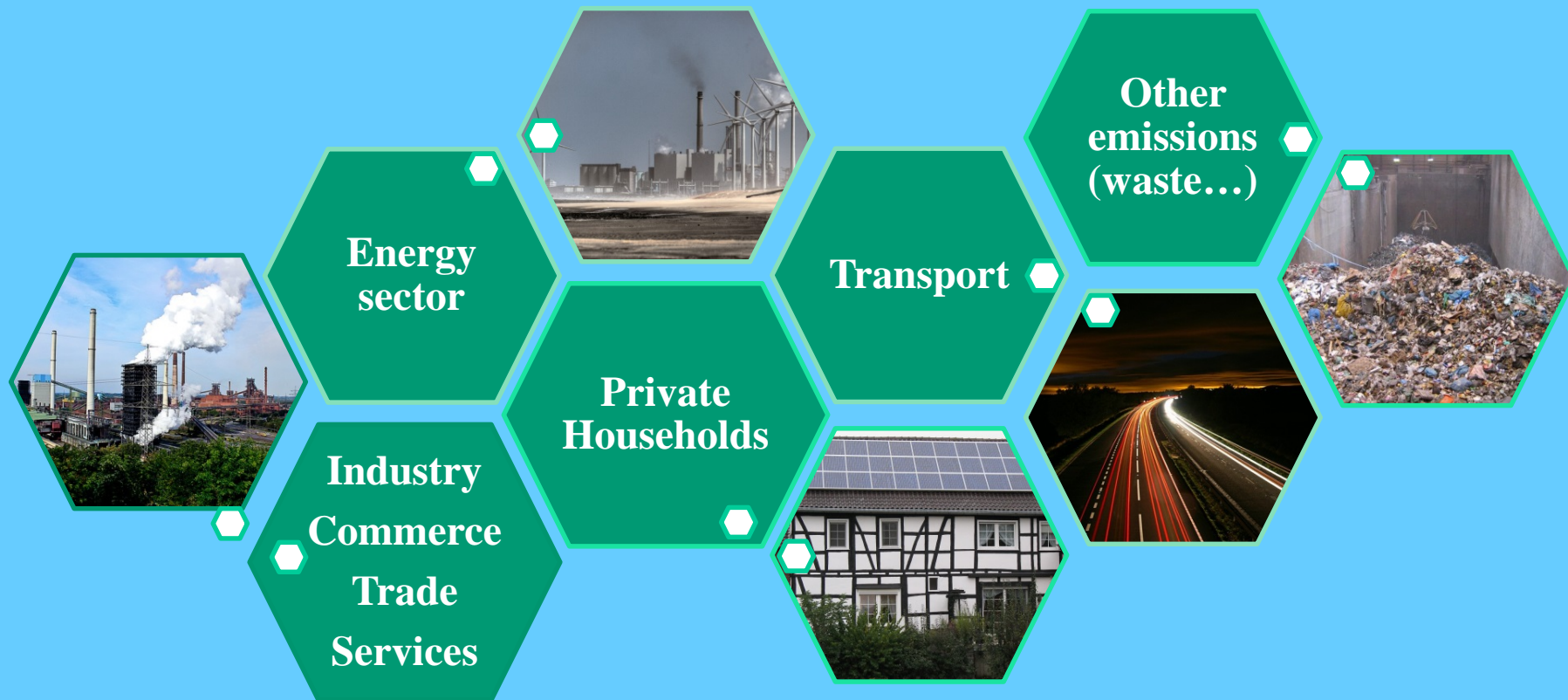
- **Stocktaking**
- **Identification of opportunities and potential**
- **Analysis why the opportunities identified have not been used (hurdles and barriers)**
- **Developing P&M's to remove the existing barriers and creating a comprehensive programme**
- **Cabinet decision – mandat for the administration**
- **Implementation**
- **Monitoring – Reports to the Cabinet and the Parliament**
- **Starting the process again**

# Through a 25y process Germany established long term targets for the required decarbonisation of the German society and economy

		2020	2030	2040	2050
Climate	Greenhouse gases (vs. 1990)	min. - 40%	min. - 55%	min. - 70%	min. - 80 to - 95%
	Share of electricity	min. 35% (2025: 40-45%)	min. 50% (2035: 55-60%)	min. 65%	min. 80%
Renewable energies	Overall share (Gross final energy consumption)	18%	30%	45%	60%
Efficiency	Primary energy consumption	- 20%			- 50%
	Electricity consumption	- 10%	- 25%		
	Energy consumption in buildings	20% heat demand	80% primary energy		

# Short term strategy: Climate Action Programme 2020

- All sectors contribute to emissions reduction



# The Climate Action Programme 2020

## Target

- At least 40% reduction in GHG emissions by 2020 (vs 1990)

## Gap

- With current policies: 33-34% GHG reduction by 2020 (uncertainty of +/- 1%)

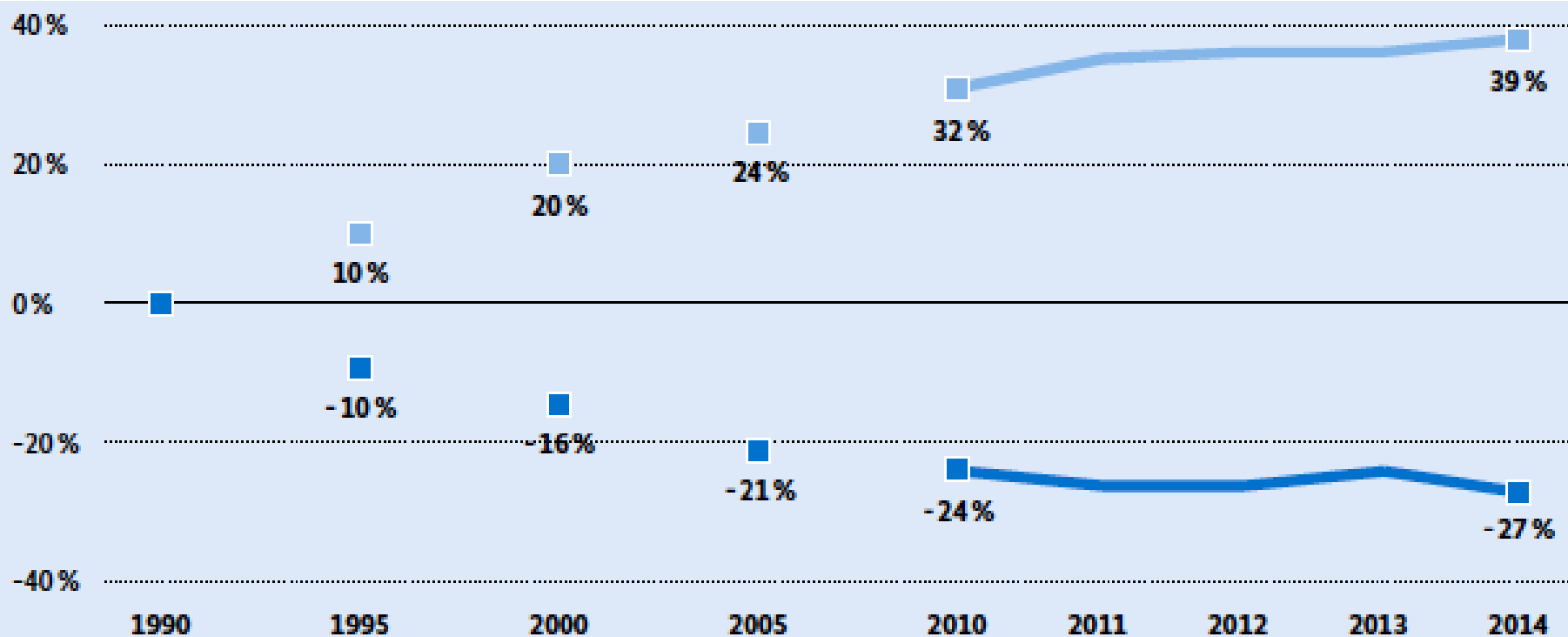
## CAP

- Climate Action Programme 2020 adopted in December 2014 by the Cabinet



# Decoupling: Growing economy, declining emissions

■ Percentage change in CO<sub>2</sub> equivalents compared to 1990      ■ Percentage change in GDP compared to 1990



Source: <http://www.umweltbundesamt.de/presse/presseinformationen/treibhausgasausstoss-im-jahr-2013-erneut-um-12> and Working Group on Energy Balances (Arbeitsgemeinschaft Energiebilanzen): Selected efficiency indicators for Germany's energy balance

Figures for 2014 based on preliminary data

# **Long term strategy: Climate Policy Plan 2050 to fulfil the requirements of the Paris Agreement?**

- **Climate Action Programme 2020 is a milestone for complying with the 2050 climate target (80 – 95 % reduction by 2050 vs. 1990)**
- **Building on Climate Action Plan 2020 a Climate Policy Plan 2050 has been decided in December 2015**
  - **Climate Policy Plan 2050 focuses on long-term climate targets and designing the transformation of society and economy**
  - **It includes not only long term targets for the whole society, but in addition sectoral targets up to 2030**
  - **Long term Climate Policy will be underpinned by a broad dialogue and participation process**

# **The Problem is...**

**...different interests and goals of departments/ministries involved**

**...different positions of regional and local governments /  
authorities / industries**

**...heavy and very professional lobbying**

**...comparatively high investment costs versus comparatively low  
operational costs**

**...possible impacts the international competition**

**...in some cases a relatively young capital stock**

**...relatively weak consumer organisations**

**Thank you very much for your  
patience!**